

IDS Fundraising Ethics Policy

March 2015

EXTRACTS FOR POTENTIAL DONORS

1 Introduction

- 1.1 The Institute welcomes funding and donations from a diversity of lawful sources – government, research councils, philanthropic, non-profits, companies, corporate foundations and individuals - that help promote its objectives; respect or enhance its reputation; respect its integrity and academic freedom; can be received without additional costs or unreasonable conditions; and can be received with transparency.
- 1.2 This may range from grants and contracts won competitively for research and knowledge work to donations made in support of student scholarships or bursaries; academic development; endowments for academic posts or lectures; or sponsorship of specific events and impact activities.
- 1.3 This policy sets out the Institute's approach to the ethical issues involved in fundraising and donations from all sources. This includes donations with no restriction on the use of the funds and also restricted funds for specific purposes. All funding (other than student fees and income from trading) is in principle subject to due diligence and ethical review led by the Funding Ethics Panel, reporting to the Strategic Leadership Group and the Board.
- 1.4 The policy describes how the Institute will determine whether and under what circumstances to accept such funding as well as the procedures to be followed for the Institute to reach a decision.
- 1.5 The policy has been informed by experiences at other institutions and also good practice guidance available from CASE, a higher education sector expert group, and from the Institute of Fundraising.
- 1.6 The policy has been approved by the Board of Trustees.

2 Background

- 2.1 The Institute depends on external funding for all of its research and professional activities. Working with diverse funders can help the Institute find new ways to achieve its core objectives including new ways to achieve impact. As well as consolidating relationships with familiar partners, like other higher education institutions and research bodies in the UK, the Institute needs to engage with new actors and to develop a clear basis for a wider range of funding partnerships. New funding from new sources has the potential to enable the Institute to do work other funding does not support or to do work it already does better. Diversifying its sources of income and increasing unrestricted funding will increase its freedom to develop its own research and knowledge agenda and to help manage its financial risks.

3 Principles

- 3.1 The Institute will only accept funding/donations that:

- supports its ability to achieve its objectives
- does not damage its reputation
- respects the Institute's integrity
- safeguards the Institute's academic independence
- does not entail unreasonable conditions
- can be received with transparency

4 Exclusions

- 4.1 The Institute will not accept funding or donations generated from activities which are unlawful or which violate international conventions on human rights.
- 4.2 In addition it will not accept funding or donations from the following sources:
- tobacco companies
 - arms manufacturers or traders
 - profits derived from pornography
 - where over 10% of the ongoing business activity or, for an investment firm, 10% of the assets are held in one of these activities

- 4.3 The Institute will not accept funding that involves any of the following:
- funder/donor influence over the admission, progress or success of an individual student on an award-bearing course
 - funder/donor influence over its procurement processes or decisions resulting in a conflict of interest
 - funder/donor influence over the conduct of research or other work or the dissemination of the results of that work where that compromises academic integrity
 - any form of bribery or incentive to act unlawfully
 - other irregularities in the funding/donations that would compromise the Institute's integrity or independence
- 4.4 The Institute is unlikely to accept funding that involves any of the following, unless specifically approved by the Funding Ethics Panel (and, depending on the scale of the donation, the Board):
- funder/donor determination of student scholarship recipients
 - funder/donor influence over staff appointments
 - funding/donor from a jurisdiction with evidence of current high levels of corruption
 - funding/donations from a source with a reputation that is currently compromised by its own actions
 - any other conflicts of interest between the funder/donor and the Institute or a member of the Institute's staff
 - fulfilling conditions that unreasonably compromise its commitment to transparent research outcomes.
- 4.5 The Institute is unlikely to accept funding/donations that involves the following, unless specifically approved by its Strategic Leadership Group:
- creation of an ongoing financial liability beyond those built into the Institute's strategy and financial plan
 - fulfilling conditions by the Institute which are excessively onerous.

5 Funding transparency

- 5.1 The Institute will be transparent about the sources of its income. Therefore the Institute:
- will not accept funding that is wholly anonymous (ie where the donor will not make their identity known to the Institute even on a confidential basis)
 - will only accept funding brokered by a third party with the approval of the Funding Ethics Panel
 - requires full disclosure of any known connection between a potential funder and a

member of Institute staff; a Trustee, or a student currently or recently registered for an academic award receiving tuition or supervision from the Institute

- will maintain a register of interests recording any such connections
- will extricate itself from the relationship immediately should it accept funding in good faith and subsequently discover that any of the exclusions apply
- reserves the right to publish information about major funders

6 Legal considerations

6.1 The Institute is a registered charity governed by the Charities Act and regulated by the Charity Commission. As such there are legal considerations concerning donations and fundraising. If the financial relationship is purely altruistic this will probably constitute a donation. If however the Institute's name is used or publicity given at an event in return for a donation, or a donor company will increase its profile as a result, this may constitute trading. This has tax implications.

7 Ensuring funding integrity

7.1 The Institute will treat funders and potential funders/donors with respect and will provide accurate information about its activities and the purposes for which funds will be used.

7.2 All funding and donations (other than student fees and income from trading) is in principle subject to due diligence, led by the Funding Ethics Panel, reporting to the Strategic Leadership Group and the Board of Trustees.

7.3 The Institute will maintain, in the office of the Company Secretary, a list of organisations from which funding and donations are regarded as unproblematic. These will include government sources in the UK, US and EU; and registered charities in the UK and US. This list will be accessible to IDS staff as necessary and will be periodically reviewed and updated as necessary.

7.4 In some cases the Institute will require investigation of the potential funder/donor before a decision to accept the funding can be taken. Judgements will be required about potential engagements, potential risks and potential rewards, in particular, the likely impact on the Institute's reputation if the funding/donation is accepted. The level of scrutiny and responsibility for judgement about accepting the funding will depend on the size of the likely funding/donation, its purpose, its source and any conditions sought by the funder/donor. In these circumstances, the impact on the Institute's integrity and reputation may be affected by the nature and proximity of the relationship between the funder/donor and the Institute.

12 Stewarding, auditing and accounting for funds

12.1 The Institute will steward funders/donors and donations with care, including proper recognition in public documents and invitations to relevant events as well as recognition of the funder's/donor's reputational rights. All funds will be acknowledged with a statement confirming that they will be applied for the intended purpose unless the funder/donor gives consent that the use of the funds rests solely with the Institute or can

be amended
with agreement.

12.2 All sums will be included in the scope of the Institute's external audit and recorded appropriately in its statutory accounts.

12.3 Any donations will be correctly administered by the Finance Department including:

- specific accounting arrangements
- separate banking arrangements

13 Funder agreements

13.1 Other than small-scale individual donations via the website and/or to the Scholarship Appeal, a decision to accept funds/a donation will need to be accompanied by a clear written agreement before any funds are received that addresses a number of factors and clarifies the rights, duties and obligations of each party.

13.2 Individual donations via the website and/or to the Scholarship Appeal will be deemed to be covered by the terms of the Institute's appeal to which the donation is a response.

13.3 Written agreements are likely to be the subject of negotiation. Factors to be specified in the agreement include:

- the nature of the relationship (e.g. financial donation; event sponsorship; student or staff sponsorship)
- anticipated use of and outcomes from the funding/donation
- use of the company brand or the individual's name by the Institute, including in publicly acknowledging the donation
- use of the Institute's name by the funder/donor
- duration of the funding relationship
- ownership of e.g. copyright, intellectual property
- confidentiality of any data generated as a result of the funding
- how the relationship will be promoted and publicised, with agreed key messages
- success criteria and milestones, where relevant

13.4 In addition, taxation advice may be necessary to confirm that the funds do not constitute trading income.