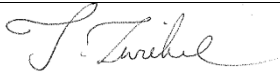


Sunbeams

KNOW YOUR DONORS (DUE DILIGENCE) POLICY

Document Control Sheet

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Signature	

Revision History

Version	Date	Author	Description of Change	Approved By
1.0	Sep 2020	Admin	Initial release outlining donor due diligence and ethical funding principles.	Board of Trustees
2.0	Sep 2021	Admin	Review	Board of Trustees
3.0	Sep 2023	Admin	Minor update to donor risk assessment wording.	Board of Trustees
4.0	Sep 2025	Admin	Comprehensive review; updated screening procedures; refreshed layout.	Board of Trustees

1. Purpose and Scope

Sunbeams are committed to ensuring that all income received by the charity is lawfully obtained, ethically sourced, and in line with our values.

This policy sets out the steps Sunbeams takes to verify the identity and legitimacy of donors and funders and to prevent money laundering, fraud, tax evasion, or reputational harm.

It applies to all donations, grants, sponsorships, and gifts in kind received from individuals, trusts, companies, and institutions.

2. Regulatory Framework

This policy complies with:

- Charities Act 2011
- Charity Commission CC20: *Charity fundraising – a guide to trustee duties (2024 edition)*
- Charity Commission CC8: *Internal financial controls for charities*
- The Proceeds of Crime Act 2002
- Money Laundering Regulations 2017 (as amended)
- Bribery Act 2010
- HM Treasury and Home Office guidance on counterterrorism and proscribed organisations
- Fundraising Regulator Code of Fundraising Practice (2024)

3. Principles

- Integrity and Transparency: Sunbeams will only accept donations that align with its mission, values, and legal obligations.
- Proportionality: Due diligence will be proportionate to the size and nature of the gift and the donor.
- Accountability: All staff involved in fundraising must maintain clear records of checks undertaken and decisions made.
- Confidentiality: Information obtained through due diligence will be handled securely and lawfully under the Data Protection Act 2018 and UK GDPR.
- Equality and Fairness: All due diligence will be conducted fairly and without discrimination on grounds of faith, ethnicity, gender, disability, or background.

4. Roles and Responsibilities

Role	Responsibility
Board of Trustees	Holds ultimate responsibility for the acceptance and use of charitable funds and for ensuring appropriate due diligence is in place.
Director (Jessica Zwiebel)	Implements this policy day-to-day, approves donations and grants within authorisation limits, and reports any concerns to Trustees.
Treasurer	Reviews due-diligence records and ensures financial procedures are followed.
Admin & Fundraising Staff	Collect and retain donor information, complete checks using the Due Diligence Form (Appendix 1), and alert the Director to concerns.

5. Identifying and Assessing Risk

Potential risks include:

- Financial crime: donations derived from illegal sources or used for money laundering.
- Terrorist financing: funds linked to proscribed organisations.
- Reputational risk: association with individuals or organisations whose activities conflict with Sunbeams' values.
- Conditional donations: offers that compromise independence or decision-making.
- Tax or compliance risk: incorrect claims for Gift Aid or failure to record income accurately.

Sunbeams' primary donor base is UK-based charitable trusts, individual donors, and local institutions. Foreign, anonymous, or cryptocurrency donations are not accepted.

6. Due Diligence Procedures

6.1 Initial Screening

All donations and funding offers will be screened by the Director or designated officer before acceptance. Checks will include:

- Source and method of payment (bank transfer, cheque, cash limit below £500);
- Donor identity and contact details.
- Purpose and any conditions attached to the donation.

- Consistency with Sunbeams' values and programme areas.

6.2 Enhanced Due Diligence

Enhanced checks will be undertaken where:

- The donation is over £5,000.
- The donor is a new individual or organisation not previously known to Sunbeams.
- The donation is unusual in size or circumstance.
- The donor operates in a sector with heightened risk (e.g. finance, politics, international trading).

Enhanced checks may include:

- Online searches for adverse media coverage or legal actions.
- Review of Charity Commission records (for charitable trusts).
- Verification of Companies House registration (for corporate donors).
- Reference from known partner organisations or funders.
- Request for additional information (e.g. source of funds statement).

All checks are recorded on the Due Diligence Form (Appendix 1).

6.3 Anonymous or High-Risk Donations

Sunbeams do not normally accept anonymous cash donations over £100.

Larger or unusual donations will be investigated before acceptance. If the source cannot be verified, the donation will be refused or returned.

7. Decision and Escalation Process

1. Staff review: The staff member or fundraising lead completes the Due Diligence Form.
2. Director review: The Director reviews and signs off routine donations (up to £5,000).
3. Treasurer review: For donations over £5,000 or where risk is identified, the Treasurer conducts a secondary check.
4. Trustee approval: High-risk or controversial donations are referred to the Board for decision and recorded in minutes.
5. External reporting: If a donation appears illegal or suspicious, the Director will inform the Charity Commission, police, or other relevant authority (e.g. HMRC, NCA).

8. Record Keeping

- A copy of each Due Diligence Form, supporting documents, and decisions will be retained for seven years in secure digital storage.
- Records will be accessible only to the Director, Treasurer, and relevant trustees.
- Due diligence forms will be cross-referenced with entries in the Finance Register and audit trail.

9. Training and Awareness

- All staff involved in fundraising and finance receive training on this policy as part of induction and annual refreshers.
- Trustees are briefed annually on financial governance and risk management.
- Updates to Charity Commission guidance are circulated promptly to all relevant staff and volunteers.

10. Refusal and Return of Donations

Sunbeams reserve the right to refuse or return any donation if:

- The source cannot be verified.
- Acceptance could compromise the charity's independence or reputation.
- The donation is linked to illegal activity or breaches UK sanctions.
- The donation is offered with conditions contrary to Sunbeams' values or beneficiary interests.

Any decision to refuse or return a donation over £1,000 must be approved by the Board of Trustees and recorded in minutes.

11. Confidentiality and Data Protection

Information about donors and funding sources will be handled confidentially and in accordance with the Data Protection Act 2018 and UK GDPR.

Data will be used only for the purposes of compliance, reporting, and financial management.

12. Monitoring and Review

- The Director and Treasurer review due diligence records annually to identify patterns or risk areas.
- A summary of due diligence activity is presented to Trustees as part of the annual audit and financial report.
- This policy will be reviewed annually or earlier if regulations change or new risk factors emerge.

Appendix 1: Donor Due Diligence Checklist (Form)

Donor Name: _____

Organisation (If Applicable): _____

Donation Amount: £_____ Date Received: _____

Type of Donation: Trust/Foundation Individual Corporate Gift in Kind

Check	Details / Outcome	Completed By	Date
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Source of Funds verified

Donor identity confirmed (photo ID or official record)

Company or Charity registration checked

Purpose of donation clear and documented

Conditions attached or influence attempted

Adverse media or reputational concerns found

Politically exposed person (PEP) or sanctions list check

Gift Aid eligibility confirmed (if applicable)

Decision (accept / decline / refer to Trustees)

Director/Treasurer signature

Storage: All completed forms to be saved in the secure Due Diligence Register (folder restricted to Director & Treasurer).

Appendix 2: Escalation Flow

1. Staff identifies potential risk → completes Due Diligence Form.
2. Director reviews and decides if further information is required.
3. If risk remains, Director consults Treasurer and reports to Trustees.
4. Trustees decide to accept, decline, or return donation.
5. If criminal concern suspected → report to Charity Commission / Police / HMRC / National Crime Agency.

Signed: _____ Position: Trustee

Date: _____