



HISTORIC ROYAL PALACES

HRP Policy on Donations Acceptance

1. Introduction

The Trustees of Historic Royal Palaces welcome and encourage philanthropic support. Donations are essential for us to generate the money we need to grow our impact. As well as the financial benefits donations bring, the act of giving is a powerful way for people to have a deep engagement with our Cause and signal their support for what we do.

Historic Royal Palaces, like all charities, has a duty to be transparent about how we will treat donations. This policy explains the process a donor can expect us to follow when we receive a donation, the instances in which a donation would be refused or returned and outlines the Due Diligence process used in determining the acceptance or otherwise of a gift.

2. Scope

This policy applies to all staff, volunteers and contractors working for HRP who are involved in securing and servicing donations for the charity. Donations are managed centrally through the Development Team.

3. Principles

Context

The presumption is that a charity will accept a donation. As it states in the Code of Fundraising Practice: “You must not refuse or return donations except in exceptional circumstances”. However, we have a duty to consider if accepting a donation would be detrimental to the best interests of the charity. In those circumstances, Trustees must exercise discretion in whether or not to accept the donation.

The UK Bribery Act 2010 requires organisations to ensure no inappropriate advantage is gained by the donor through the acceptance of the donation. Under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and Money Laundering Regulations 2007, it would be an offence to receive a donation known to have been or that could be suspected to have been gained through criminal activity.

Donations

3.1 Historic Royal Palaces is proactive in fundraising for donations and can also accept unsolicited donations. Sources of philanthropic gifts include:

- Individuals in the UK and overseas;



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- Charitable foundations in the UK and overseas;
- National Lottery and government bodies in the UK;
- The European Union and overseas governments/agencies;
- Companies in the UK and overseas;
- Legacy bequests;
- Historic Royal Palaces, Incorporated.

3.2 A donation is considered to have been accepted when funds have been received and acceptance confirmed in writing to the donor. A pledge to make a donation is considered to have been accepted when acceptance is confirmed in writing by the Development Team.

3.3 Historic Royal Palaces will accept all donations from the sources listed in 4.1 unless there are specific reasons to refuse the gift.

3.4 The circumstances in which a gift will always be declined are:

- There are reasonable grounds to believe the donor is vulnerable and does not have adequate capacity to make the decision to make the donation;
- There are reasonable grounds to believe that the origin of the funds is unlawful or questionable (please refer to section 9 for the Due Diligence process);
- There are reasonable grounds to believe that the motivation behind the donation is to gain inappropriate advantage to the donor, or to unduly influence the activities of Historic Royal Palaces;
- The donation is made with restrictions or conditions incompatible with our charitable objects or which we would be unable to meet;
- The identity of the donor is not provided;
- The donation would create unacceptable conflicts of interest.

Ethical considerations

3.5 Ethical judgements about the origin of a donor's wealth or public profile, or the activities of a corporate donor, can be factors in considering whether or not a gift should be accepted but they cannot be decisive.

3.6 However, should a donor's reputation or activities be likely to bring Historic Royal Palaces into disrepute or deter others from supporting us, or there are other reasons to believe that accepting a donation would not be in the charity's best interests, then Trustees may decide to refuse the gift.

3.7 Risk factors that would prompt reflection about whether accepting the gift might be detrimental to the best interests of the charity include:

- If the funds originate in or the donor's business activities are largely in a commercial sector widely considered to be contentious. These include, but are not limited to: defence industries, fossil fuel extraction and fossil fuel-based energy, gambling, mineral mining, pornography, tobacco and e-cigarettes;
- If the funds originate in or the donor's business activities are largely in the



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alcoholic beverages commercial sector, this will be considered only on a case by case basis;

- If the donor is known to be currently under criminal investigation, subject to sanction or is widely reported to be suspected of wrongdoing;
- If the donor is associated with an overseas government that arouses widespread concern for human rights;
- If the donor has taken public positions or undertaken activities which could be considered hostile to the monarch or The Royal Family.

Gift agreements

3.8 A written gift agreement between Historic Royal Palaces and the donor is required for all restricted donations and pledges, and for all unrestricted donations and pledges of £25,000 or more. The form of the gift agreement will be determined by the value and complexity of the gift.

3.9 As a minimum, gift agreements will include the name and address of the donor, the Gift Aid status of the donation, schedule of payment, naming rights and recognition (if applicable), and level of membership of the King's Presence Chamber (if applicable) afforded to the donor. Agreements for donations involving naming rights would also include details of the circumstances in which a donation might be returned and the naming right rescinded.

3.10 Gift agreements will be written in a way that allows the greatest flexibility in the future use of the donation and explain how the gift will be used should circumstances change or the fundraising target for a particular activity is exceeded.

Tax and legal advice

3.11 Historic Royal Palaces' staff cannot provide legal, financial or tax advice to donors, nor will Historic Royal Palaces pay any costs incurred by the donor in preparing a will or gift agreement.

Anonymity

3.12 A donor may reserve the right to external anonymity in respect of a gift. This will be respected by Historic Royal Palaces, but full details of the individual or company will be recorded by Development Team on the customer relationship management database. Details of the donor will be made known to the Executive Board and Trustees on request, in confidence.

Implementation

3.13 Due Diligence is completed by the Development Team on all unsolicited donations



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from individuals or overseas foundations of £10,000 and above. The Development Team will use online search engines, specialist databases and contact with the donor to ensure that Charity Commission 'Know Your Donor' requirements can be met (see Appendix 1). Additional qualitative risk factors will trigger further investigation, even if it falls below the £10,000 threshold:

- The donation is given in an atypical foreign currency;
- The donation is received through unusual transfer arrangements;
- The country of origin is atypical for us or is of problematic international status.

3.14 Should a donation transaction arouse suspicion that it is fraudulent or otherwise unlawful, the Head of Development Operations and Head of Financial Accounting will alert the Finance Director and Security Advisor for guidance on contacting the relevant authorities. Should the value of the suspicious payment be £25,000 or more, the Company Secretary will inform the Charity Commission through the serious incident reporting regime.

3.15 Due Diligence will not be completed for unsolicited donations from sources considered to be of low risk, including grants from foundations registered with the Charity Commission for England and Wales, Charity Commission NI or the Office of the Scottish Charity Regulator, or bequests administered by solicitors registered with a relevant professional body.

3.16 Enhanced Due Diligence will be completed on all proposed donations from individuals or companies of £100,000 or more, or for any donation which will receive recognition or naming rights at one of the palaces.

3.17 Due Diligence will only be completed when a donor has been approached about a gift, with the purpose and size specified. Prior to this, Development would conduct initial prospect research in order to understand a donor's motivations and likely capacity to give. Due Diligence will use online searches and relevant specialist databases in order to identify possible areas of reputational, legal or ethical concern about the donor.

3.18 Once Due Diligence has been completed the donation can be accepted following approval at the following thresholds:

Value of gift (£)	Approved by
≤£100,000	Head of Development Operations
≤£250,000	Director of Development
≤£750,000	Chief Executive
>£750,000	Board of Trustees
Any gift involving naming rights for a physical space	Board of Trustees

3.19 In instances when, following Due Diligence, the Head of Development Operations



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believes acceptance of a donation would not be in the charity's best interests, a report outlining the issues and rationale for declining the donation must be submitted to the Chief Executive, Finance Director, Director of Development, Head of PR and the Company Secretary, who will decide whether to uphold the recommendation. If a donation is declined, the Board of Trustees will be informed by the Chief Executive.

Return of donations

3.20 Donations accepted by charities can only subsequently be returned in exceptional circumstances. The instances in which HRP would consider returning a donation are:

- The origin of the donation is subsequently proven to be unlawful;
- The specific donation agreement allows for the donation to be returned by HRP in certain circumstances, and those circumstances occur;
- Ethical or reputational issues emerge about the donor after the gift has been made that have a detrimental effect on the charity's ability to pursue our charitable objectives.

3.21 Should evidence arise suggesting a donation meets the criteria considered for return, HRP will seek guidance from the Charity Commission on the specific case. A full report will be prepared for Trustees who will then collectively make the decision on the return of any donation and removal of associated public recognition.

4. Roles and Responsibilities

All HRP policies are approved by either the Executive Team or the Board of Trustees.

Once a policy is approved and published, it is our shared responsibility to ensure compliance with it.

For specific training or detailed guidance, more information can be found in documents linked in section 5 below. If you cannot find the information you are looking for, you should contact the Policy Lead, who authored the document.

For this policy, the Policy Lead is the Head of Development Operations.

Further information:

- Financial Accounting is responsible for the accurate accounting of donations and pledges and receiving the funds.
- In order to maintain a consistency of approach and compliance with relevant legislation and guidelines, the solicitation and processing of donations across HRP are co-ordinated through the Development Team. Should any other staff be



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contacted by an individual or organisation wishing to make a donation, they should immediately contact the Development Team.

- The exceptions to the above are donations on tickets and retail purchases and applications to research councils, which are coordinated through the palace Operations teams, Retail and Research respectively.
- Trustees are responsible for agreeing naming rights for physical spaces as set out in the Policy on Public Recognition of Major Gifts and Grants.

5. Links

Legislation:

- [Bribery Act 2010](#)

Guidance:

[The Charity Commission: Accepting, refusing and returning donations to your charity](#)

Other HRP Policies:

- Matters Reserved for the Trustees
- Public Recognition of Major Gifts and Grants

6. Breaches

Failure to adhere to this policy could result in disciplinary action.

If you have any concerns of believe this policy may be breached, please contact your line manager, Director or the Company Secretary.

7. Approval and Review

This policy was approved by the Executive Team/ Board of Trustees in July 2024.

The date of the next review for this policy document is April 2027.

Policy on Donations Acceptance			
Approved by	Board of Trustees/ Executive Team	Date last approved	07/2024
Policy Lead and Name of Directorate	Head of Development Operations	Date for review	04/2027



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