

## **Donor concerns policy**

As a CIO, CASK Research Foundation must put in place procedures to identify and verify donors and consider any conditions attached to any donations. The trustees have a legal duty to protect the CIO's assets.

Trustees should make sure that they carry out proper due diligence on those individuals and organisations that give money to, receive money from, or work closely with CASK Research Foundation.

### **Guidelines for trustees**

#### **Identifying suspicious donations**

The key to identifying suspect donations is to look out for exceptional features, such as unusually large amounts, conditions or complex banking and transfer arrangements, or a donation which in reality is some kind of loan.

The trustees must be able to satisfy themselves about the credentials of the donor or the appropriateness of the donation or loan. Donations may take forms other than money, for example shares or goods.

The following situations may indicate higher risks:

- unusual or substantial one-off donations or a series of smaller donations or interest-free loans from sources that cannot be identified or checked by the charity.
- where a charity is asked to act as a conduit for the passing of a donation to a second body which may or may not be another charity.
- if conditions attached to a donation mean that the charity would merely be a vehicle for transferring funds from one individual or organisation to another without the trustees being able to satisfy themselves that they have been properly used.
- where a charity is told it can keep a donation for a certain period of time, perhaps with the attraction of being able to keep any interest earned whilst holding the money, but the principal sum is to be returned at the end of a specified, short, period.
- where donations are made in a foreign currency, and again unusual conditions are attached to their use, e.g. including a requirement that the original sum is to be returned to the donor in a different currency.
- where donations are conditional on particular individuals or organisations being used to do work for the charity where the trustees have concerns about those individuals or organisations.

- where a charity is asked to provide services or benefits on favourable terms to the donor or a person nominated by the donor

### **Guidance if a donation is suspect**

If a trustee suspects a donation to be of high risk they should first bring it to the attention of the Board of Trustees.

If the Board of Trustees agree that the donation is suspicious they must report the donation to [Action Fraud](#) and/or other appropriate authorities. They should also report this to the Charity Commission under the [reporting serious incidents](#) regime as soon as they become aware of it.