

# FAVERSHAM CREEK TRUST

The Purifier Building • North Lane • Faversham • Kent • ME13 7DY

## Funding Policies

The policies and procedures in this document set out the basis for the raising and distributing of funds of the Faversham Creek Trust. Policies relating to the management of the Trust and its activities, the governance of the board and the safe management of the Purifier Building are contained in separate documents also available on the Trust's website at [www.favershamcreektrust.com](http://www.favershamcreektrust.com).

Click on the relevant page number to take you to the policy of interest.

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## Receiving Donations, Gifts and Hospitality policy and procedures

### Purpose

Raising money and non-financial support is crucial to support the Faversham Creek Trust (“the Trust”) and we welcome partnerships with, and gifts from, a wide range of supporters. However, it is important that these are managed appropriately to ensure that they do not compromise the integrity and reputation of the Trust.

The board of the Trust is committed to acting in the best interests of the charity and its beneficiaries. This includes responsibility to ‘know your donor’ and to carry out appropriate and proportionate due diligence and risk assessment related to the acceptance of gifts. In exceptional circumstances it may be necessary to refuse support.

### Scope

This policy explains the Trust’s approach to accepting, returning or refusing donations. The policy applies to all Trust volunteers, trustees and members of staff. It explains the types of donations that the Trust can accept, when ‘know your donor and donation’ checks should be carried out and when a donation can or must be refunded or refused.

This policy applies to all solicited and unsolicited donations to the Trust, from individuals, trusts and foundations, companies, community groups, government agencies and other donors. These donations may be financial or non-financial. Financial donations include restricted or unrestricted monetary gifts including cash, grants, sponsorship, publicly traded shares at fair market values and gifts in wills (legacies). Non-financial gifts include pro-bono legal and financial advice, gifts in kind, prizes for auctions and raffles, equipment, property or other non-monetary contributions such as involvement in event committees.

### Conditions for acceptance, refusal or return of donations

The Charity Commission requires that donations will be accepted unless there are exceptional reasons that a charity should not accept a donation. The Trust is legally obliged to refuse or return a donation where:

- We judge that the funds have been illegally obtained, derived from an illegal source or come with illegal conditions. This includes but is not limited to donors who fail to meet the requirements of the Equality Act 2010.
- The donor does not have the mental capacity to make an informed decision when donating.
- The gift cannot legally be given to the Trust, e.g., the donor doesn’t own the property it is trying to donate.
- Under the terms of the donation, it is required to be returned when certain circumstances arise.



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In addition, the Trust will not accept donations where the individual or company making it has derived their wealth or profits from any of the following industries, as we believe these activities are inherently harmful to people's health, either directly or indirectly:

- Tobacco (referring to a company, entity or organisation involved in the development, production, promotion, marketing, or sale of tobacco in any country of the world, or is a subsidiary or a holding company or affiliate of the same)
- Arms manufacturing, export and selling
- Anonymous gifts of cryptocurrency
- Pornography or other adult entertainment content.

We will also not accept donations that:

- Represent an unacceptable conflict of interest, as judged by the trustees
- Come from a source that is known or suspected to be involved in bribery or corruption
- Are over £5,000 and are a truly anonymous donation, in which the fundraising partners only deal with an intermediary who is not willing to identify the donor. In the case of Donor Advised Funds, we must be satisfied that there are appropriate due diligence measures in place to vet donors who wish to give anonymously through this or a similar mechanism. Any anonymous donations over £25,000 must be reported to the Charity Commission as a serious incident.
- Would compromise the integrity of the Trust and/or could result in significant reputational damage to the Trust which could lead to a disproportionate reduction in donations from other sources in the future
- Directly or indirectly endorse products or services of the donor.

The Trust will not normally return gifts that have been accepted in good faith and in compliance with this policy. Subsequent information may give rise to the need to review a previous decision to accept a gift in which case the Trust will take legal advice as needed.

### **'Know your donor' checks**

Small and regular donations are unlikely to be an issue but the Trust will carry out checks on any donations that are unusual in their amount, type or circumstances. What counts as unusual will be at the judgement of the trustees. The board of the Trust will

- Assess the risks of accepting the donation
- Make sure it's appropriate to accept from that donor
- Be confident the donation isn't from an illegal or inappropriate source, e.g., a stolen item



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- Determine that any conditions attached to the donation are appropriate.

If the donation is from an anonymous donor, the board will check the donor is who they say they are, searching online (beyond Page 1 on the search engine), on the Charity Commission database and with Companies House. If the donation is left in someone's will, the solicitor handling the gift can be verified on the Solicitors Register. The donor will also be checked to ensure they have not been involved in anything illegal or had serious allegations made against them.

Four things to watch out for:

- Unusually large donations, particularly if the donor is not known to the Trust
- Conditions which are not reasonable or compatible with the Trust's purpose or that undermine the Trust's independence
- Complicated banking arrangements, such as transferring money between multiple bank accounts which may indicate the donor's funds are from an illegal or inappropriate source
- Unusual behaviour, like saying the donation needs to be made urgently but without saying why.

Note: The Charity Commission advises questioning unusual donor requests using the UK Government's Prescribed Organisations and Financial Sanctions Targets. If needed, the Trust will follow the due diligence procedures and work within the regulatory and statutory guidance of:

- The Proceeds of Crime Act 2002 (POCA 2002)
- Terrorism Act 2000 (TA 2000)
- Money Laundering Regulations 2007 (MLR 2007)
- Money Laundering, Terrorist Financing and Transfer of Funds (Regs 2017)
- Charity Commission guidance – CC20; and Compliance Toolkit
- Charities Acts 1992, 2011 and 2022.

If the donor is interested to donate to a specific cause, the Trust will be open and transparent about how their donation will be used and will agree in advance what will happen with any leftover funds or items.

### **Record keeping**

The Trust undertakes to:

- Keep a record of donations in the accounts including the donor's name and address if gift aid is to be claimed.
- Record in board meeting minutes receipt of substantial gifts of £250 or greater.



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- Keep a secure record of any checks and due diligence reports carried out on donors in accordance with GDPR.
- Record acceptance and refusal of gifts on the due diligence register and store these records securely.

### **Procedure for refunding or returning a donation**

Under charity law, as with all registered charities, the Trust will only refund donations in certain circumstances including:

- If the terms and conditions of the gift allow it to be returned.
- Where the law allows the gift to be returned in particular circumstances, or if there's a compelling moral reason to do so.
- When there are reasonable grounds to believe that the donor lacked the capacity to make an informed decision to donate.

Depending on the circumstances, there may be restrictions on whether a donation can be returned. The relevant charity regulator may need to give permission for this.

The most common reason for returning a donation is if too much or too little money has been raised for a specific purpose or if a gifted item is no longer needed. The best way to handle this situation is to make sure both the Trust and the donor are clear from the start about whether funds or items will be returned or used in another way.

If there was not an agreement in place when the donation was made, the Trust will have an open and honest conversation about the best way forward explaining how it would like to use their donation but also respecting the donor's decision if they would like it returned.

When a donation is refunded or returned, the reasons why the donation was refused or returned will be made in writing and a record of the correspondence and any financial transfers will be kept securely in the Trust's records.



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## Giving donations, sponsorship and grants policy and procedure

### Purpose

Faversham Creek Trust (“the Trust”) was founded in 2011 by a group of local people who wanted to regenerate the Creek and safeguard its heritage and future for everyone to enjoy. The Trust works to achieve this by sharing resources and expertise in partnership with other community groups as well as supporting local projects financially.

The Trust is a charitable company limited by guarantee with duties regarding the giving of money under both company law (the Companies Act 2006) and charity law (the Charities Act 2011). The Trust is also a membership organisation and must account to its members for how it uses its funds. The Trust will consider funding projects that meet its charitable objects in the following areas:

- Activities that help to protect and enhance Faversham Creek and its surrounding landscape from pollution or damage such as monitoring the water quality, promoting sustainable water treatment, defending against inappropriate house building, littering or other forms of contamination.
- Activities that help to restore the navigation such as dredging of the Creek and restoration of the sluicing and regeneration of the Creek Basin.
- Projects that promote and develop understanding of the Creek’s history and nature, archaeology and ecology.
- Support of heritage boat building skills and community boat building in Faversham.
- Projects that develop the leisure use of the Creek.

This document sets out the Trust’s policy for giving monies to individuals, groups or organisations in the form of sponsorship, donations and grants. The terms and process for applying for a grant are given at the end of this policy.

### Definitions and Scope

Sponsorship is money given in exchange for advertising. We consider sponsoring local events that have an affinity with the areas listed above that the Trust is currently working within. Sponsorship is usually limited to £200 or under.

Donations are money, goods or services the Trust considers giving to help a non-profit cause without expecting anything in return. It is a form of charity aimed at supporting the work of that organisation providing its work falls within one or more of the Trust’s charitable areas. The donation is unrestricted without any contract but must be spent on the cause it was given to. Financial donations are usually made as one-off expenditures.

Grants are usually given over a period to organisations that do work that promotes our charitable purpose and which the Trust is not set up to do. The grant is a contract between the Trust and an organisation set up to do charitable or non-profit work, agreed in a written proposal with certain conditions or requirements attached (as described below). The Trust is



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not set up as a grant-giving organisation although the board of trustees considers giving the occasional grant. The Trust does not accept unsolicited applications for a grant.

The Trust does not provide grants for:

- Activities that sit outside our geographic area of activity of coastal Kent.
- Activities that promote religious or political views.
- Activities generating private profit.
- Spending that has already taken place (i.e. retrospective funding), unless there is a specific exception made, which would be clearly stated in the funding application.
- Redistribution of a grant to individuals or other organisations.
- Activities where people are excluded because of religion, sexual orientation, sex or ethnicity (unless the issue is group-specific).
- Personal benefit.

### **Applying for a grant**

If you have a project that fits one or more of the Trust's funding areas then we welcome an email enquiry from you. If we feel your project is a good fit, we will invite you to make an application. We keep the application process simple so there is no application form.

If you are invited to apply for funding, we will ask you to email 2 to 3 sides of A4 (PDF or Word document with font size no smaller than 11 point) to [info@favershamcreektrust.com](mailto:info@favershamcreektrust.com). All the information you provide to us is confidential. Please do not send any links to documents unless requested.

Please include the following in your funding proposal:

1. Your company or charitable status (e.g., registered charity or CIC number).
2. A brief history of your organisation/community group and what your mission is.
3. A summary of what it is you want funding for, the total amount requested and the timeframe to put your project into practice.
4. Why you think your proposal is of interest to Faversham Creek Trust.
5. Details of your project including the number of users in your project and a budget for the duration of the project including sources of income and all types of cost involved.
6. Describe the outcomes of your project and the difference it will make to people's lives and the time for which these outcomes will be sustained. Specify how these outcomes will be measured.
7. Your paid staffing and volunteering numbers (as full-time equivalents)
8. Your level of available reserves at the time of the application (if you are a charity) or the amount you hold in savings and current accounts of your organisation.
9. A copy of your most recent audited or filed accounts.



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You can ask for grants of up to £5,000 (although most will be lower than this). We are willing to part-fund projects. If successful, you will be expected to offer a short update on your project's impact including measured evidence of the benefits realised at the end of the project.

Please refer to our annual accounts and newsletters for further information on the Trust, available on our website at <https://favershamcreektrust.com>.

### **Review**

This policy will be reviewed annually, or sooner if there are significant changes in the Trust's activities or to legislation.



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## Fundraising policy and procedure

### Purpose

This policy explains how the Faversham Creek Trust (“the Trust”) approaches fundraising and gives information about how to fundraise. This policy applies to all Trust trustees, volunteers and staff who fundraise for the Trust, other charities, or who take part in any other social enterprise activity.

### Commitment

The Trust is committed to responsible fundraising practice to ensure that all fundraising is legal, open, honest and respectful. Trustees must take responsibility for fundraising activities. Trustees can ask others to do specific fundraising activities, but they are still responsible for making sure all fundraising activity follows this policy.

### Expectations

Whether fundraising for the Trust or for another organisation while representing the Trust, all those involved must make sure their fundraising is:

- **Open:** be clear with the public about what we’re fundraising for. Make sure members of the public have all the information they may need to make an informed decision. This might include details about what the fundraising is for, what charges an online fundraising platform has, and their relationship to the Trust or the organisation we’re fundraising for.
- **Honest:** our fundraising materials must never mislead anyone. Never take advantage of a donor’s error.
- **Respectful:** we must always be polite and respectful. Never pressure someone into donating and never take advantage of any donor who might be in vulnerable circumstances. See the Trust’s Receiving Donations policy for more information.
- **Legal:** the Trust must have the correct permits or licences to fundraise on the street, on a private site (like a supermarket), or when fundraising house to house. Donors’ details will be protected in line with the Trust’s GDPR policy.

Trustees, volunteers or members of staff responsible for fundraising for the Trust must:

- Ensure a statement is included saying what will happen to funds raised for a specific purpose when too much or too little money is raised.
- Make sure that funds raised for a particular purpose are used for that purpose.
- Follow any conditions attached to a donation.
- Make sure that funds are only raised for purposes in line with our charitable objects.
- Make sure that children under the age of 16 never have overall responsibility for handling or counting money when fundraising.



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- Make sure that accurate financial records are kept in line with the Trust's finance policy.
- Make sure that an appropriate written agreement is in place with any third-party fundraisers the Trust works with (unless they're a volunteer).
- Make sure that fundraisers know how to direct existing or potential donors to our fundraising complaints process. If we are working with a fundraising partner, ensure they have a fundraising complaints procedure. If they don't, make sure that they agree to follow ours.
- Anyone who wants to make a complaint should be directed to the Trust's Complaints Policy, as described in the Trust's General Policies and Procedures. Their complaint should be managed in line with this policy.
- Report any concerns about the Trust's fundraising practice.

If the Trust is fundraising for another charity as a volunteer, we must:

- Make sure that the other charity's aims are consistent with ours.
- Get permission from the charity before doing any fundraising activity.
- Tell the donors where the funds are going, and if we're raising funds for more than one charity, explain what proportion will go to each.

If we want to fundraise with trusts, foundations, corporate partners or major donors, we must follow the Trust's Donations Policy screening guidance.

### **Fundraising procedures**

Fundraising is a regulated industry, which means there are rules and regulations the Trust needs to be aware of and follow to protect both the public and the fundraiser. This procedure explains what trustees, staff and volunteers need to do.

#### **1. Before we start:**

- a. If fundraising is planned for a specific purpose, such as a project, there's a chance more money might be raised than needed, or not enough money to go ahead as planned. Any extra or unused funds can be kept and used within the Trust. Donors will need to know how these funds will be used.
- b. If there is no agreement in place with donors and too much money has been raised or too little, or the project can't go ahead as planned, the Trust will get in touch with donors to let them know and suggest another use for the funds.
- c. A record of all money made through fundraising will be kept in accordance with the Trust's Donations Policy.

#### **2. Permits and licences**

- a. Public collections - to collect money in a public place where the public have unrestricted access, such as a street, a licence must be obtained from the local authority (Swale Borough Council). This applies to holding a stall at the



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Town Council's annual Pirate Festival. The time it takes to review an application will vary for each local authority, so an application must be made well in advance.

- b. Collections on private sites or land - if the Trust wants to raise funds on private property, such as a supermarket bucket collection or collecting in a shopping centre, permission must be obtained from the property owner or manager.
- c. Raffles, lotteries, tombolas and sweepstakes - may need to be registered with the local authority. More information can be found on the Gambling Commission website and in Registration, below.
- d. Games nights – can be hosted without needing a licence. Depending on the types of prizes offered, the Trust may need to follow rules around maximum participation fees.

### 3. Registration

- a. An incidental lottery that meets the following criteria is exempt from registration with the Local Authority:
  - i. The lottery is held exclusively at an event, such as a raffle at a fete, providing that tickets are only on sale at the event (e.g., Barn Dance, Pirate Festival stall).
  - ii. All the proceeds of the lottery go towards the charity being supported. Up to £100 can be deducted to cover any expenses from organising the lottery and up to £500 can be deducted from proceeds to go towards prizes. Prizes can also be donated to the draw and there is no maximum limit on the value of these donated prizes.
  - iii. The draw can be held at the event or after it has finished. We should make clear to participants when the draw will take place. We cannot rollover prizes in incidental lotteries.
- b. Private society lotteries are also exempt from registration, providing:
  - i. Tickets are only sold by, and to, members of a particular group and not to the public.
  - ii. The lottery takes place in the Trust's premises with tickets only available for sale to members and guests on those premises.
  - iii. The lottery is promoted by a member of the Trust and advertised on the premises only.
  - iv. The prize is the same for all tickets so multi-buy offers – such as 5 tickets for the price of 4 – are not allowed. Tickets must be non-transferable and the ticket price must be paid to the promoter before the ticket is issued. If the ticket price has not been paid, there's no entry to the lottery and no prize can be won. A ticket must be provided but there aren't specific requirements for what information



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is on the tickets.

4. Age limits – tickets can only be sold to young members under 16 for certain types of lottery which includes raffles, sweepstakes and tombolas. An activity is defined as a lottery if:
  - a. People pay to enter a prize draw
  - b. Prizes are allocated
  - c. The winning of the prize is based entirely on chance.
5. Prizes  
Prizes offered need to be suitable for the people taking part. There aren't any restrictions on offering home-made prizes, like food or toys, but they must be safe.
6. Counting money  
Cash must be collected, counted and recorded by two individuals who aren't related, wherever possible. Cash must be counted in a secure environment and banked as soon as possible after the event.
7. Offering alcoholic refreshments  
The relevant licences and permissions must be in place. Age limits must be stuck to.
8. Charity number  
If the Trust generates income of more than £10,000 per annum, the charity registration number 1146660 must be displayed on all official documents and communications including notices, advertisements, bills, invoices and letters. This requirement applies to all forms of solicitation for money or property for the benefit of the charity, whether express or implied and regardless of whether the solicitation is for consideration. The charity number must be displayed in legible characters and in English.

### **Data protection and GDPR**

Data protection regulations apply to emailing people about fundraising activities. Only people who've opted in should receive emails from the Trust and blind copied (BCC) into any fundraising emails.



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