

## Grants and Donations Policy

### 1. Introduction

Like other national museums, the National Portrait Gallery is supported both by government and by a growing number of individuals, companies, trusts and foundations. The Gallery actively seeks private donations and sponsorships to support core activities, as well as exhibitions, projects, and acquisitions. During the period 2017-2019 the Gallery will also be fundraising for its major capital project *Inspiring People*.

The Gallery encourages philanthropic support in line with its charitable status, and views growing such support as a key element in being able to fulfil its mission. In order to meet current and future financial needs, it is recognised that the Gallery must be proactive and energetic in its approach to fundraising, seeking supporters not only from within the UK but also internationally.

The Gallery commits itself to ensure that its fundraising activities are conducted with integrity and public accountability. Whilst fundraising is a priority for the organisation, this objective must be considered alongside the potential risks to public trust.

### 2. Policy Scope

This Grants and Donations policy is designed to ensure due diligence and an appropriately documented, timely and efficient process which can be undertaken in a manner conducive to fundraising which is both effective and ethical. The Gallery actively seeks and can accept philanthropic donations from the following sources in accordance with this policy:

- Donations from individuals in the UK and overseas
- Grants from charitable trusts and foundations in the UK and overseas
- Donations and support from companies in the UK and overseas
- Donations from legacy bequests

This policy applies to the acceptance of monetary donations made by an individual or organisation, for the benefit of the institution. Appropriate due diligence procedures concerning gifts of works of art or archives are set out in the *Gallery's Acquisition and Disposal Policy* and *Due Diligence Policy*.

### 3. Context

The Board of the Gallery is a body corporate established by the Museums and Galleries Act 1992 and an exempt charity under Schedule 3 of the Charities Act 2011. In principle, trustees of a charity are expected to accept money given to that charity for purposes consistent with the charity's objectives and values.

In addition, the UK Bribery Act 2010 requires the institution to ensure that the receipt of a donation is not related to some inappropriate advantage that be afforded to the donor, such as the award of a contract. Other relevant legislation includes the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 under which it is an offence to receive, retain or convert money or property known or reasonably suspected to be the product of criminal activity.

The Gallery has consulted the guidance issued by the Charity Commission for England & Wales *Charities: due diligence, monitoring and verifying the end use of charitable funds* (Jan 2011) in the drafting of the policy.

#### **4. Risk Assessment**

Should a prospective supporter be deemed to be contentious, they will be referred to the relevant Head of Department across Trusts, Individual Giving and Corporate for further review. The Head of Corporate Development and/or the Head of Major Gifts & Appeals and/ or Head of Grants and Legacy Giving will make a recommendation to the Deputy Director/ Development Director and Director about how to proceed. Where necessary, further information and advice will be sought from third parties, such as professional search firms, international due diligence providers, and individual contacts who may have further knowledge of prospective supporters.

All prospective donations from new or existing supporters of more than £100,000 will be referred to the Deputy Director/ Development Director and Director for review along with a full research profile. They will seek the further advice and agreement of the Chairman and Trustees as appropriate.

Gifts of more than £350,000 and any gift where the Gallery is minded to name a building, room, post or other aspect of its activity, will be subject to review by the Deputy Director/ Development Director, Director, Chairman and Board of Trustees. Decisions on acknowledgements and namings will be made in line with the Gallery's *Donor Naming Opportunities Policy*.

Should concerns be raised under the guidelines above about a gift that has already been accepted, the Director, Deputy Director/ Development Director and, the Chairman and the Board of Trustees, will review whether it is appropriate to retain the gift.

#### **5. Role and responsibility of the Advisory Ethics Committee (AEC)**

The Advisory Ethics Committee shall have sight of all potential donations over £5K. In accordance with the Acceptance Principles it will advise the Trustees as to whether or not to proceed with any potential donation.

The Development Team will be responsible for conducting the necessary research and background investigation. The Advisory Ethics Committee may require the Development Team to conduct further research before it advises. The Advisory Ethics Committee will meet in person or by secure correspondence according to its terms of reference and as appropriate, to consider the matters referred to it. Minutes will be kept of its discussions and key points from the minutes will be presented to the next subsequent meeting of the Board of Trustees.

The decision whether to accept or reject a potential donation shall be the responsibility of the Board of Trustees following the recommendation of the Advisory Ethics Committee.

#### **6. Acceptance Principles**

**6.1** The Gallery recognises some sources of support or potential support may create a risk of causing significant damage to the Gallery's reputation.

**6.2** The Gallery will consider each pledged donation or sponsorship carefully in accordance with the due diligence reasonably available to the Development Team and the advice of the AEC.

**6.3** It is for the Trustees to decide in the light of the information before them whether to accept financial support or sponsorship.

**6.4** The Gallery will not accept funds where:

- a. The donation is made anonymously through an intermediary who is not prepared to identify the donor to anyone at the gallery
- b. There are reasonable grounds to suspect that the donor has acted unlawfully in acquiring the funds from which the donation is to be made, including money laundering the proceeds of crime.
- c. Acceptance of the funds would, in the judgment of the Trustees, significantly damage the effective operation of the Gallery in delivering its mission whether by:
  - i) creating unacceptable conflicts of interest;
  - ii) causing material damage to the reputation of the Gallery,
  - iii) causing undue harm to the Gallery's relationship with other benefactors, partners, visitors or stakeholders
  - iv) or in some other way.

## **7. Acknowledgements and Namings**

The Development Team, Deputy Director/ Development Director, Director and Board of Trustees will follow the guidelines for namings and acknowledgements as set out in the Gallery's *Donor Naming Opportunities Policy*.

## **8. Restricted Donations**

Where a gift is proposed to be made for restricted purposes, the Deputy Director/ Development Director or their delegate will consider, prior to accepting such a donation, whether the proposed project would be an appropriate project for the Gallery in the circumstances including:

- whether the proposed project is an effective way of furthering the Gallery's objects;
- the intended impact of the proposed project;
- the anticipated financial cost of involvement in the proposed project;
- the impact the proposed project would have on the Gallery's reputation;
- whether the proposed project could be carried out in a manner that is lawful and consistent with relevant guidance.

This policy was agreed by the Board of Trustees in March 2019, and will be reviewed in two years' time.

March 2019