

ACORD Policy on Accepting Donations From The Private Sector



ACORD Secretariat, November 2006

This document outlines ACORD's policy on accepting donations from the private sector. It provides a set of principles that will be used to guide ACORD's decisions and situates the approval process that would be followed.

Purpose and Rationale

- To clarify ACORD's position on accepting donations from the private sector.
- This policy defines "private sector" as for-profit enterprises or associations or organisations that represent for-profit enterprises.
- To ensure that ethical considerations are taken into account when seeking and accepting funds.
- To protect ACORD's logo and image and ensure that the best interest of the organisation is not compromised.
- To minimise the risk of any adverse publicity to ACORD that may result from the acceptance of a donation.
- To ensure that ACORD maintains its independence from commercial influences.
- To facilitate a consistent approach towards donations from the private sector across ACORD.

Guiding Principles

1. In principle ACORD accepts donations from any source, but may reject a donation from a donor whose objectives or activities appear to be incompatible with ACORD's vision, mission and values, particularly if this risks causing significant damage to ACORD's integrity, public image or professional reputation.
2. ACORD does not publish a list of industries whose objectives or activities are in conflict with its vision, mission and values, and ACORD recognizes the need to examine each donor or prospective donor on a case by case basis.
3. ACORD will not accept donations from companies whose activities are known to be illegal or where there are indications of corruption and related economic crime. ACORD will also not accept donations from tobacco, alcohol or weapon industries and would review extractive industries with particular caution.
4. The policy applies to all corporate donations to ACORD of any type (including money, gifts in kind, matched funding, time or publicity) and from any source whether directly solicited or not.
5. Scrutiny of donor companies is generally applied only to the first donation from any source, except when there is reason to believe that there is a change in the status of the donor. However, where ACORD has an ongoing relationship with a corporate donor, the scrutiny process should be repeated every two years.

The Approval Process

Screening will be undertaken by the Partnership Development Unit (PDU) in the ACORD secretariat, with support from the Senior Management Team if required.

If the answers to question 3 and/or 4 in the screening process are YES, the PDU will make a recommendation to the ACORD Executive Director to discuss with the trustees for the final decision.

The answers to each question must be recorded and retained for at least two years. The record must also include the sources of evidence that were used.

Recommended Screening Process of Private Sector Companies¹

| Question | Action Required |
|---|--|
| 1. Is there any reason to believe that the company's activities are illegal? | If YES reject If NO proceed to Q2 |
| 2. Is the company passing on donation(s) from one or more individuals (e.g. as a result of a fundraising initiative by the company's staff or as an 'in memoriam' gift from a funeral company)? | If YES accept If NO proceed to Q3 |
| <p>3. Do the company's objectives, activities and working practices appear to be in conflict with ACORD's vision, mission and values?</p> <p><i>There is no prescribed checklist that must be used, but research should be undertaken to enable as many as possible of the following questions to be answered.</i></p> <p>3.1 Are the company's activities, policies or products likely to cause human suffering?</p> <p>3.2 Is there any evidence that the company discriminates against workers on the basis of race, gender or religion?</p> <p>3.3 Is there any evidence that the company has direct or indirect involvement in the exclusion of peoples from land or other property previously owned or occupied by them?</p> <p>3.4 Is there any evidence that the company is involved in unreasonable exploitation of employees or employees of supplier firms – as evidenced by their wages, working conditions and opportunities?</p> <p>3.5 Are the company's activities or policies clearly seen as being harmful to the environment?</p> <p>3.6 Is the company the target of an ongoing ACORD campaign?</p> | <p>If the answer to any of these questions is YES, the Partnership Development Unit should inform and make a recommendation to the Executive Director for a final decision.</p> <p>In the event that a donation or an approach is rejected or that it is accepted even when the answer to one of the questions is YES, the trustees must be consulted.</p> |
| 4. Is public association ² likely to cause significant damage to ACORD's integrity, public image or professional reputation? | |

¹ Adopted from: CAFOD: "Policy on Accepting Donations from Companies", updated 19 January 2006

² Public association is defined here as any information relating to a donation that is in (or is intended for) the public domain, for example in an annual report, website or press release.

Legal Context and Codes of Good Practice

1. UK charity law permits the refusal of a donation if the activities of the donor are incompatible with the charity's 'charitable objects' or if the acceptance of a donation is likely to have a detrimental effect on the charity's image or reputation. However, if a charity refuses a donation on these grounds, its trustees are potentially answerable to the Charity Commission and must be able to demonstrate to the Commissioners how the best interests of the charity have been served in refusing the donation in question. The Institute of Fundraising's Code of Practice³ states that "trustees and their authorised decision-makers must not allow individual or collective personal, political or commercial interests, nor personal views on political or ethical issues, which are not directly related to the interests of the charity, to affect their judgement". If the Trustees refuse a donation that is properly acceptable, they commit a breach of trust for which they can be made personally liable.
2. This policy applies to all donations from companies. However, the level of research that is appropriate will depend on the nature of the company's activities and the size of the donation. A rigorous check must be made of all companies donating the equivalent of £10,000 or above and of any company whose objectives, activities and working practices appear to be in conflict with those of ACORD. Less detailed research is acceptable when checking companies whose donations are below the equivalent of £10,000, and where the acceptance of the donation is unlikely to be seen as controversial, inappropriate or damaging by the organisation and its stakeholders.

Partnership Modalities

Modalities for partnership with private sector would require flexibility in order to reflect the particular purposes and objectives of the partnerships. The formal modalities would be worked out by the PDU in ACORD secretariat, taking into account available best practice and standard agreements.

Arrangements should not diminish the integrity and independence of ACORD and Cooperation should not imply endorsement or preference of a particular business entity or its products or services.

Any use of ACORD's name and logo would have to be expressly approved in advance in writing and upon such terms and conditions as may be specified.

More detailed operational guidelines for private sector engagement would be made available to staff as required.

³ Institute of Fund Raising, "The Codes of Fund Raising Practice", http://www.institute-of-fundraising.org.uk/codes_download.html

Annex 1. Research Sources – Kenya

The following is a selection of research resources that can be used to help to answer questions 3 and 4 of the Scrutiny Process. This is by no means an exhaustive list:

| Group | Name | Notes | Website Address |
|---|---|---|---|
| General Search Engines | Google | Widely recognised as the best search engine for general web searching | http://www.google.com |
| | Zeezo | Kenya Based Local Search Engine | http://kenya.zeezo.com/ |
| Business Directories | Nation Business Directory | Alphabetical listings, classified business pages and general business information | http://www.nationmedia.com/directory/ |
| | Kenya Yellow Pages | | http://www.yellowpageskenya.com/main/index.asp |
| Kenyan Media | The Daily Nation | | http://www.nationmedia.com/dailynation/ |
| | The Standard | | http://www.eastandard.net/index.php |
| | Kenya Times | | http://www.timesnews.co.ke |
| | Kenya Broadcasting Corporation | | http://www.kbc.co.ke |
| | Kenya Now | | http://www.kenyanow.com/ |
| | The Kenya Daily | | http://www.kenyadaily.com/ |
| Ethical Business Research for International Companies | Business & Human Rights Resource Centre | An independent organisation in partnership with Amnesty International Business Group & Leading Academic institutions | http://www.business-humanrights.org/Categories/RegionsCountries/Africa/Kenya |
| | UN Global Compact | Businesses that have committed to embrace and enact universal principles of human rights, labour standards and environment | http://www.unglobalcompact.org |
| | Corporate Critic | A research database that indexes and rates the Corporate Social Responsibility records of over 15,000 company groups from US, UK and Asia, | http://www.corporatecritic.org/ |
| | Corporate Watch | Research and publishing organisation providing detailed profiles of large corporations and overviews of each major industry sector. | http://www.corporatewatch.org.uk |
| | Ethical Investment Research Service (EIRIS) | Carries out independent research covering over 40 different areas including animal testing, military, environmental performance and human rights. | http://www.eiris.org.uk/ |
| | FTSE4Good | The FTSE4Good Index measures the performance of companies that meet globally recognised corporate responsibility standards. | http://www.ftse.com/ftse4good |

Annex 2. Research Sources – UK and International

| Group | Name | Notes | Website Address |
|-----------------------------|--|--|---|
| Business Research Engines | Northern Light Business Research Engine | Subscription service with 30 day free trial | http://www.nlresearch.com/ |
| UK media | Financial Times | The best media website for business news | http://news.ft.com/home/uk |
| | Guardian | | http://www.guardian.co.uk/ |
| | The Independent | | http://www.independent.co.uk |
| | The Times | | http://www.thetimes.co.uk |
| | Daily Telegraph | | http://telegraph.co.uk |
| | BBC | | http://news.bbc.co.uk/ |
| International Business News | Dun & Bradstreet Key British Enterprises | Provides database with information on background, activities, decision makers, finances, operations and markets of UK's leading businesses. Subscription service with free trial. | https://solutions.dnb.com/kbe |
| | Reuters Business Briefing | Searchable online database covering 6000 media publications worldwide. Subscription service with two week free trial | http://www.briefing.reuters.com |
| | Rocketinfo | Canadian based website that collects international news and business information | http://www.rocketinfo.com/content/aboutus.html |
| UK Government | Companies House | Contains searchable directory of companies for England and Wales. More detailed information is chargeable online. | http://www.companieshouse.gov.uk |
| | Ethical Consumer | Describes itself as "the UK's only alternative consumer organisation looking at the social and environmental records of the companies behind the brand names". Includes boycotts list. | http://www.ethicalconsumer.org/ |
| Business Directories | Hemscott | Both websites contain financial information on major companies, eg turnover and profit, number of employees, names of directors, areas of business, share price variation etc. Some information accessible without subscription. | http://www.hemscott.net |
| | Hoover | | http://www.hoovers.com/global/uk/ |