

HOSPITAL ROOMS

ETHICAL FUNDRAISING & DUE DILIGENCE POLICY



A) INTRODUCTION

Hospital Rooms seeks to raise funds actively and effectively whilst guarding against potential reputational risk, and ensuring that donors are aligned with Hospital Rooms' values and ethical framework. This policy is designed to ensure that due diligence for potential donors is efficient, effective, ethical, appropriately documented, and carried out in a timely fashion. This policy applies to donations of cash and securities received by Hospital Rooms, the sponsorship of exhibitions, in-kind support and where relevant, the donation of artworks by artists, their representatives and/or collectors to generate funds for Hospital Rooms.

B) RESPONSIBILITIES

Control and co-ordination of all fundraising activities will be the responsibility of Hospital Rooms SMT acting on delegated authority from the Board of Trustees, who retain overall responsibility for all decisions regarding the acceptance and refusal of donations. Legal or other advice may be sought in matters relating to the acceptance of gifts where, for example, a donation is proposed which may provide a benefit to a donor or a person or business connected to the donor.

C) RESEARCH

Recognising that the objective is to achieve success through energetic fundraising and that the tendency will be towards acceptance rather than rejection, research undertaken by the Hospital Rooms SMT will be as robust as circumstances reasonably permit. Where additional investigations are deemed appropriate, the Hospital Rooms SMT will engage freelance support and/or professional search firms and international due diligence providers. The confidential advice and opinions of individuals who have knowledge of the specific funders and/or context in which they operate, commercially or personally, may also be sought.

For contributions of over £10,000, all potential funders will be subject to an initial screening comprising a search of publicly available material, designed to highlight potential areas of controversy or concern. Wherever practical this process will take place before a donation is secured, to avoid the potential reputational damage of refusing or returning a donation.

The initial screening will normally involve a combination of adverse news searches on Google (or a similar web search engine), and a registry check (with Companies House data and/or reasonably accessible international registries). For donations of more than £10,000 but less than £50,000, Hospital Rooms SMT in consultation with the Chair of the Board of Trustees will decide if more detailed research is required and/or if a full review should be undertaken including referring the matter to the Board of Trustees who will be required to consider the results of such research dispassionately and express any findings and conclusions objectively. Donations exceeding £50,000 will automatically be referred to the Board of Trustees.

D) CORPORATE SPONSORS AND PARTNERS

All corporate sponsors and partners providing support of £5,000 or more will be subject to the same initial screening of publicly available information mentioned above. This screening will be focused on the company and its activities, with reference to any activity that might be a source of reputational or ethical risk, such as pending major court cases and prominent allegations. Standard checks will be made in relation to the company's sector, its corporate register and listed company details in country of origin and of its parent or associated companies, if relevant, and more generally in relation to its regulatory jurisdiction.

E) DISTINCTION BETWEEN ALLEGATION AND FACT

The Hospital Rooms SMT and Board of Trustees should distinguish between mere allegation or rumour or speculation on the one hand and confirmed fact or legal finding on the other, treating the former with caution although not disregarding the same if they consider that public perception alone carries a significant reputational risk for Hospital Rooms irrespective of the underlying truth.

F) RECORDS

All advice and research material received in respect of individual donors, institutional funders, and corporate sponsors as well as any conclusions or views as to the prudence of accepting the potential funding expressed by the Executive and/or Board of Trustees and all information concerning countries, or their regimes gathered in the context of this donations policy will be retained on file. Notes will be made and retained if discussions have been oral and not in writing.

G) REFERRALS TO THE BOARD OF TRUSTEES

The Board of Trustees retain overall responsibility for decisions regarding the acceptance and refusal of donations. As such, where the Executive feels that the results of the initial screening for donations of less than £50,000 should be further reviewed, the Executive should consult with the majority of Trustees before taking decisions.

In the case of donations above £50,000, either from individual donors, institutional funders, or corporate sponsors and partners, these must be reviewed and discussed by the full Board of Trustees at a board meeting, with decisions recorded in the minutes of the meeting.

The Board of Trustees shall consider all potential donations referred to it by the Executive in accordance with the following principles of ethical fundraising. Hospital Rooms will not accept funds in circumstances when:

- The donation is made anonymously, through an intermediary who is not prepared to identify the donor to anyone at Hospital Rooms;
- The donor has acted, or is believed to have acted, illegally in the acquisition of funds, for example when funds are tainted through being the proceeds of criminal conduct; or,
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- When acceptance of the funds would, in the judgment of the Board of Trustees, significantly damage the effective operation of Hospital Rooms in delivering its mission, whether because such acceptance would:
 1. Harm Hospital Rooms' relationship with other donors, partners, or stakeholders;
 2. Create unacceptable conflicts of interest;
 3. Materially damage the reputation of Hospital Rooms; or,
 4. Detrimentially affect the ability of Hospital Rooms to fulfil its mission in any other way than is mentioned above.

The Board of Trustees will act and rely on the material put before it by the Executive but may require further research to be conducted before it takes a decision.

Minutes will be kept of its discussions and key points, together with the research material and reports and supporting documents. These will be stored electronically.

H) DONATIONS FROM CHARITABLE FOUNDATIONS

Donations and grants of any size from charitable foundations registered with the regulatory authorities in the UK, North America, and European Foundation Centre (EFC) affiliated organisations, will not normally be subject to a full review by the Board of Trustees and can be progressed on the signing of an appropriate agreement with the funder. For the United Kingdom this means charities regulated and scrutinised by the Charity Commission for England and Wales, the Office of the Scottish Charity Regulator, and the Charity Commission for Northern Ireland. For the United States of America this means tax- exempt, non-profit corporations or associations recognised under section 501(c) regulated and scrutinised by the Internal Revenue Service (IRS) and the relevant state Attorney General. For Canada this means charities regulated and scrutinised by the Canada Revenue Agency (CRA). In the absence of any equivalent regulatory framework covering Europe, the (EFC) has openly published its principles of

good practice to which all affiliated organisations have to adhere. Exceptionally, the Executive may refer a registered charitable foundation to the Board of Trustees where the results of the initial screening suggest to the Executive that there is a possible ethical or reputational risk to Hospital Rooms which ought to receive the attention of the Board, in particular, any area of risk associated with any founder or trustee of such a foundation.

I) GIFTS OF ARTWORKS

Hospital Rooms will only accept gifts of artworks from donors who have undergone the same due diligence checks as mentioned above and in cases where the artwork provenance is clear, and ownership of the artwork is undisputed. Any monies accruing by virtue of the sale of donated artworks will be used solely to support the activities of Hospital Rooms. Arrangements for the sale of donated artworks will need to be agreed on a case-by-case basis with the artist and/or their representatives and the Board of Trustees.

J) RESTRICTED GIFTS

Subject to the provisions of this policy, Hospital Rooms:

- May accept unrestricted gifts, including those made with an expression of wishes that the gift be used for a particular purpose within Hospital Rooms Objects;
- May accept gifts restricted for particular projects including specific exhibitions, research trips, staff salaries or to support students from particular backgrounds, provided those purposes are in line with Hospital Rooms core values, within the organisation's charitable objects and capable of being carried out;
- Will not accept gifts that are too difficult or costly to administer or gifts that are restricted for purposes outside the objects of Hospital Rooms. Where a gift is proposed to be made for restricted purposes, the Executive will consider, prior to accepting such a donation, whether the proposed project would be an appropriate project for Hospital Rooms in the circumstances including:
 - Whether the proposed project is an effective way of furthering Hospital Rooms' 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 Hospital Rooms' reputation;
- Whether the proposed project could be carried out in a manner that is lawful and consistent with relevant guidance; and
- The means by which useful results of any research will be disseminated. If the Board of Trustees is satisfied that the project proposed is eligible, it will consider whether in all the circumstances accepting such a restricted donation would be in the best interests of Hospital Rooms.

K) MONITORING & REVIEW

This document will be reviewed by the board of Hospital Rooms trustees in March 2024.

Name: **Deborah Bowman**

Position: **Chair**

Signed:



Date: **27.06.23**