



Individual/Org name

Due Diligence report

Programme/Opportunity this is relevant to

Date

Know Your Donor: Due diligence before accepting funding from a trust, foundation or individual

Purpose

TI UK works to secure the funding necessary to undertake its vital work. Secure and diverse funding enables us to maintain independence, protect TI UK's reputation and operate effectively. We will not accept funds that might harm the reputation of the organisation or impair its independence to pursue its mission. To this end we:

- Publicly disclose all donations over £1,000
- Conduct due diligence for any trust, foundation or individual donating £5,000 or above using the below process. This process also ensures that we meet our Fundraising Code of Practice requirements in place to provide assurance that donations are not subject to restrictions, prohibitions or sanctions including tainted donations, proceeds of crime, proscribed organisations or designated persons subject to UK government sanctions.
- Donors who request not to be named publicly (£1,000 - £5,000) to confirm identification details with TI-UK in order to establish that donations are from bona fide sources but will keep that name confidential. If such donations come from sources about which we are uncomfortable (e.g. offshore trust accounts etc.) further enquiries will be made. Where donation is received through the Charities Aid Foundation, no additional verification work needs to be carried out.
- Ensure any corporate donations/partnerships are subject to a tailored due diligence process and our Private Sector Engagement Committee consulted where necessary.

Due Diligence

TI UK follows the steps below in its due diligence process. Red flags to look out for throughout the process are noted in Annex 1.

Step 1: Confirm identity

Question	How we verify
1. Is this donor already known to TI-UK? If so, what is our current relationship and/or history and have there been any issues or concerns in the past (if so what were they and how were they resolved)?	<ul style="list-style-type: none"> • <i>Our records (under trusts and foundations, individual)</i> • <i>CRM</i>
2. If no: Confirm donor identity	<i>Confirm via:</i> <ul style="list-style-type: none"> • <i>Regulator's website e.g. Charity Commission, Companies House</i> • <i>Documentation of individual's identity (e.g. passport)</i> • <i>Organisation's/individual's website and CV</i> • <i>History with TI-UK or the TI Movement</i>

Step 2: What is their business – do their sources of income or public facing beliefs or activity pose any risk to TI UK's mission or reputation?

Question	How we verify
3. Are the activities of the donor compatible with TI-UK's mission, or the mission of relevant TI-UK programmes? What, if any, is their stated position with regard to transparency and anti-corruption?	<ul style="list-style-type: none"> • Donor website and charitable objectives • Desktop search (e.g. for evidence of the organisation's objectives on its website).
4. What is and was, the source of their income/funds? In particular, is there any risk of: <ul style="list-style-type: none"> ➤ Money laundering ➤ This money being the proceeds of crime 	<p><i>Review:</i></p> <ul style="list-style-type: none"> • Charity Commission documents for UK trusts and donor websites • Web search for biographies of individual donors and settlors of trusts • Incorporation documents and details of ultimate beneficial owners for donor whose income comes via corporate sources • Consider whether they are a designated person subject to UK government sanctions / represent a proscribed organisation • Exiger checks on relevant corporate interests of donors
5. What is the donor's motivation for making this donation/giving this grant? In particular is there any personal benefit e.g. tax avoidance or evasion or any other significant personal/organisational benefit.	<ul style="list-style-type: none"> • Conversation with donor • Insight into their giving history
6. Have any public concerns or concerns by other charities been raised about the donor or their activities? If so: <ul style="list-style-type: none"> ➤ What was the nature of the concerns and how long ago were they raised? ➤ Did the police or a regulator investigate the concerns? ➤ What was the outcome? 	<ul style="list-style-type: none"> • Internet search • Conversation with other organisations funded by them
7. Would any adverse publicity about the donor have a damaging effect on the TI-UK e.g. affecting our reputation and/or other donors or partners' willingness to support us?	<ul style="list-style-type: none"> • Consult communications team & other relevant stakeholders • Examples of any precedents with other grant recipients

Step 3: Clarifying terms and conditions of engagement

Question	How we verify
8. What are the donor's expectations/conditions; are they reasonable and deliverable – or is there any cause for concern that needs to be explored further?	<ul style="list-style-type: none"> • Conversation with donor • Evidence from previous history with TI-UK, the TI movement or other organisations

<p>9. Terms and conditions around payment:</p> <ul style="list-style-type: none"> ➤ In what form is the money being received: Cash, cheque, bank transfer? ➤ When would it be received and over what time period? ➤ Where due diligence checks indicate anything suspicious this may require reporting of these concerns to police/relevant authorities. 	<ul style="list-style-type: none"> • <i>Conversation with donor</i> • <i>History of donor withholding payment from TI-UK or other organisations, why this happened, how it was resolved</i> • <i>Donation is associated with complex banking or tax arrangements</i> • <i>Donations in the form of loans</i> • <i>Time-limited donations or with unusual/unreasonable conditions or restrictions</i> • <i>From foreign sources or made in foreign currency</i>
<ul style="list-style-type: none"> ➤ What are the conditions under which funding might be withheld or need to be repaid to the donor? 	<ul style="list-style-type: none"> • <i>Dealt with on a case by case basis referring to statutory guidance as necessary</i>
<p>10. Are there are upstream or downstream partners we are required to work with, consider:</p> <ul style="list-style-type: none"> ➤ Who are the suggested partners? ➤ If they are not already known to TI-UK, are they bona fide organisations? ➤ Do we have evidence that the partner can deliver on their role in the way expected? ➤ Do the partner's own internal management and financial control systems enable them to identify and report losses or abuses back to the charity? ➤ Are there any reputational risks for us collaborating with these partners? 	<ul style="list-style-type: none"> • <i>See steps for sections above</i>

Further Guidance

Charity Commission: Compliance Toolkit: Protecting Your Charity from Harm

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/550682/Chapter_2_Summary.pdf

Fundraising Regulator: [Due diligence and fundraising](#)

Annex 1: Red Flags to consider

To help assess the risks presented by a donor and their prospective donation, TI-UK consider a range of questions to identify, assess and mitigate red flags as and when they arise in order to understand *inter alia* who it is receiving funds from and the source of those funds. Questions include association with countries facing higher anti-corruption, sanctions or other compliance risks, understanding of ownership structures, clarity on how and where funds are to be transferred from and any difficulties verifying the donor's identity and / or reluctance on their part to engage fully in the due diligence process.