National Museums Scotland

GIFT & SPONSORSHIP ACCEPTANCE POLICY

1. INTRODUCTION

The support we receive from a variety of sources helps provide a world-class museums service that informs, educates and inspires. We value the gifts, grants and sponsorship that make our work possible. However, there are circumstances which may prevent us from accepting gifts and sponsorship. Decision-making about the acceptance of gifts requires careful analysis of the benefit that will be obtained, balanced against the risks of accepting.

This Policy and its associated Procedure are in place to guide assessment of the acceptance of monetary gifts and sponsorship. The broad nature of the terminology in this policy recognises the need for flexibility as we approach a wide range of prospective donors and partners. Notwithstanding this flexibility, it ensures a clear framework to ensure both the financial sustainability of our organisation and protection of our reputation.

2. BACKGROUND

It is not straightforward for charities to refuse or return a gift. The Fundraising Code of Practice says Trustees 'must only refuse or return donations in exceptional circumstances', and the process of refusal must be supported by rigorous due diligence and record-keeping.

2.1 Legal

In Scotland, it is the role of the Office of the Scottish Charity Regulator (OSCR) to ensure that charities follow the rules outlined by the Charities and Trustee Investment (Scotland) Act 2005.

In relation to fundraising, OSCR advises that Trustees should:

- Comply with the Charities and Trustee Investment (Scotland) Act 2005
- Act in the interests of the charity
- Act in a way which is consistent with the charity's purposes
- Act with care and diligence

In relation to gift acceptance, OSCR advises that to act in the interests of the charity, Trustees must show how they "balance the financial or reputational risks and rewards to the charity."

Fundraising standards in Scotland are defined by the UK-wide *Code of Fundraising Practice* (the Code). Updated in 2025, the Code comprises both statutory and non-statutory rules, with all the standards of equal importance in ensuring public trust and confidence in fundraising, regardless of whether they are required by law.

2.2 Gift Return

There is no clear process for returning a gift in Scotland: doing so and the return of a gift, once accepted, would require us to consult with the OSCR and seek legal advice. This underlines the importance of diligence about the gifts we accept.

2.3 Gift Refusal

National Museums Scotland is grateful for all pledges of support that it receives but reserves the right to refuse or return a donation or sponsorship if acceptance is likely to be more detrimental to the organisation than its refusal. The specific circumstances in which gifts and sponsorship can be refused include, but are not limited to, scenarios where:

- It would be unlawful to accept it, i.e. it comes from the proceeds of crime.
- It has been made by someone who lacks capacity to decide to make a gift.
- The cost of processing the gift exceeds the value of the donation.
- The gift consists of goods, services or property which the charity cannot lawfully use, convert, exchange or sell in direct support of its charitable objects.
- Accepting the gift would be detrimental to the achievement of the purposes of the organisation. This anticipated detriment must be equal to or greater than the benefit of receiving the funds.

Damage to the charity's reputation or loss of public trust is considered a factor in gift acceptance because of the potential detriment it can cause, such as:

- The loss of other donations which could equate to the same or greater value than the gift in question.
- The loss of staff or inability to recruit, which could affect the charity's ability to function.

In addition, when donors place restrictions on gifts there are practical considerations which may permit a charity to refuse them. These include when any condition linked to the gift:

- Is contrary to the objectives of the charity.
- Is unreasonable in relation to the scale of the support or impact on the work of the charity.
- Will divert the charity from pursuing its current objectives, policies or work priorities.
- Is tied to a specific activity and that specific activity is not:
  (i) charitable in nature
  (ii) within the scope of legitimate action permitted by the recipient charity's constitution in order to achieve its charitable aim
  (iii) practically achievable by the recipient charity.
- Ties the gift to a particular project or activity which is impractical for the recipient charity, e.g. where support is offered to purchase a building, but the charity has no resources with which to maintain it thereafter.
- Represents a conflict of interests.

Although a misalignment with the organisation's perceived ethics and values can be taken into account, it cannot alone justify a gift being refused unless it meets one of the above criteria. Organisations are required to demonstrate a robust rationale for the refusal of a gift, otherwise the default position must be acceptance. In some cases, it may be decided that while a gift or sponsorship represents some potential risk, it is in National Museums Scotland's greater interest to manage the risk.

3. APPLICATION OF THE POLICY

- A Gift Acceptance Policy is in place to assess the acceptability of gifts. A gift is defined as a voluntary transfer of money or in-kind support by a donor, made with philanthropic intent. This policy applies to gifts, sponsorship and corporate donations, bequests/gifts-in-Wills, cash and other methods of payment, including shares.
- The policy will be applied to gifts and sponsorships with a value in excess of £10,000 unless there are clear risk indicators which suggest further review is necessary. This limit recognises the need to balance risk with staff resource.
- The policy is applicable to gifts from new donors and donors who have previously donated to the organisation.
- The policy is not applicable retrospectively. This means we would not review gifts which have been received in the past or seek to return them.

In assessing the acceptability of gifts and sponsorship, we will follow the procedure and guidelines described below.

4. GIFTS NOT ACCEPTED

We will not accept gifts or sponsorship that:

- Result from the proceeds of crime, including child maltreatment, human rights abuse, links to organised crime, financial crime, bribery and corruption, money laundering and links with terrorism.
- Are made by individuals who lack the capacity to decide to make a gift, or to consent to a gift being made.
- Are made by individuals or organisations who we have good reason to believe lack the financial capacity to fulfil their full gift or sponsorship.
- Will cause greater damage to our reputation than bring benefit to our mission and thus be detrimental to or inconsistent with the achievement of our purposes.
- Are made by tobacco companies or the tobacco industry.
- Are made by alcohol companies and junk food brands[1] in support of activity targeted at under 18s.

5. GUIDELINES FOR GIFT ACCEPTANCE

We consider each gift on an individual basis. The following guidelines are to be used to help us evaluate the acceptability of gifts offered to us:

- The gift must support the aims, mission and strategy of National Museums Scotland.
- Acceptance of the gift should not cause greater damage to our reputation than overall benefit to the organisation or do significant harm to our relationship with other
- donors, sponsors, partners, visitors and other stakeholders
- The terms of the gift should not create unreasonable restrictions on our operations or be impractical or undesirable to meet.

[1] For definition of junk food, see government guidance: https://www.gov.uk/government/publications/restricting-advertising-of-less-healthy-food-or-drink-on-tv-and-online-products-in-scope

- The gift must not impinge on curatorial or academic freedom, or the freedom to publish or interpret.
- Processing the gift and fulfilling its terms should not present a financial cost to the organisation which exceeds the value of the gift.
- We will not accept gifts from anonymous donors through an intermediary who is not prepared to identify the donor to a senior member of staff on a confidential basis.
- The terms of the gift should not commit us to an activity or donor acknowledgement in perpetuity.
- Potential conflicts of interest must be considered as part of the gift acceptance procedure.

6. PROCEDURE

- Offers of financial support from donors are initially assessed and researched by the Development Team.
- The use of a risk management matrix will identify donations and sponsorships which may cause concern and provide a framework for assessing the level of risk.
- If concerns are raised regarding a specific donation or sponsorship the Director of External Relations and the Head of Development will consult with relevant colleagues to gather risks, benefits and potential impacts associated with acceptance, referring the matter to the Director/Chair/Board, as appropriate.

7. GIFT OF OBJECTS

The Collections Development Strategy provides guidance for object provenance research and due diligence for gifts of object donors. Due Diligence is completed for gift of objects using the same risk categories as other types of gifts and through a review process that is aligned with the acquisition processes.

8. UPDATES AND APPROVALS

The Gift Acceptance Policy will be reviewed every three years or in response to relevant changes in legislation, whichever is sooner. The Policy is considered and approved by the Board after each review.