

If you are a charity the Charity Commission advises the default position with regard to **accepting donations is a 'yes'**. Donations should normally be accepted because they help your charity do its work.

**However, you must refuse or return a donation if:**

- It comes from **illegal sources** or involves **illegal activity**
- The donor **doesn't have the right** to give it
- The **terms require** you to return it

**You may refuse or return a donation if it's in the charity's best interests**, for example if it:

- Conflicts with your **charitable purposes**
- Creates **legal, financial, or reputational risk**
- Comes with **conditions** that undermine your independence

**Before you refuse or return:**

- Check you have the **legal power** to do so
- Consider any **conditions** attached to the gift
- Get **legal advice** if unsure

**How trustees must decide:**

Act **within your powers**

In **good faith**

In the **best interests of the charity**

Using **relevant evidence**, managing **conflicts of interest**

**Good practice:**

- **Record** your decision and reasons
- Have a clear **donations policy** to guide consistent decisions

More information here

<https://www.gov.uk/guidance/accepting-refusing-and-returning-donations-to-your-charity>

Charity Commission guidance on due diligence in receiving gifts and donations here:

[https://assets.publishing.service.gov.uk/media/65df4106b8da63b345c861e9/Chapter\\_2\\_Due\\_diligence\\_monitoring\\_and\\_end\\_use\\_of\\_funds.pdf](https://assets.publishing.service.gov.uk/media/65df4106b8da63b345c861e9/Chapter_2_Due_diligence_monitoring_and_end_use_of_funds.pdf)

UK charities should have a **sponsorship policy** because it protects their **mission, reputation, and legal compliance** while helping them raise money responsibly.

A **sponsorship policy** gives an organisation a clear basis to **defend its artistic freedom when pressured to remove sponsors**, ensuring that **funding cannot be used to dictate, censor or change creative work**.

**Examples**

<https://www.npg.org.uk/about/gallery-planning-and-policies/grants-and-donations-policy>

[https://www.britishmuseum.org/sites/default/files/2025-08/Acceptance\\_of\\_donations\\_and\\_sponsorship\\_policy.pdf](https://www.britishmuseum.org/sites/default/files/2025-08/Acceptance_of_donations_and_sponsorship_policy.pdf)

<https://info.lse.ac.uk/staff/services/Policies-and-procedures/Assets/Documents/extFunAccPol.pdf>

**Sample Sponsorship Policy Template**

### 1. Purpose

This policy sets out how [Organisation Name] accepts, manages, and reviews sponsorship, donations, and gifts in kind. It exists to ensure that all funding:

- Supports our charitable purposes and public mission
- Preserves our independence, integrity, and reputation
- Complies with legal and ethical standards
- Maintains public trust

This policy applies to all financial and non-financial contributions, including corporate sponsorships, philanthropic donations, legacies, grants, and gifts in kind.

### 2. Guiding Principles

[Organisation Name] will only accept funding that:

- Is consistent with our mission, values, and strategic objectives
- Does not compromise our artistic, curatorial, educational, or organisational independence
- Does not expose the organisation to legal, ethical, or reputational harm
- Does not create actual or perceived conflicts of interest

We will not accept funding where there is a reasonable likelihood that it would undermine public confidence in the organisation or damage relationships with audiences, partners, or staff.

**3. Grounds for Refusal**

Funding may be refused where:

- The identity of the donor or source of funds cannot be verified
- The funds may be linked to criminal activity, money laundering, or other unlawful activity
- The donor or sponsor’s activities are incompatible with our mission, values, or public responsibilities
- Acceptance would create unacceptable reputational risk
- The funder seeks undue influence over programming, staffing, or decision-making
- The funding is likely to provoke significant public protest or stakeholder harm

The organisation reserves the right to decline or return funding at any stage.

**4. Due Diligence**

All significant sponsorships and donations will be subject to proportionate due diligence, which may include:

- Identity verification of the donor or sponsor
- Review of public, media, and regulatory records
- Assessment of the source of funds
- Review of political, environmental, human rights, or ethical concerns
- Assessment of potential reputational, legal, and stakeholder risks

The level of due diligence applied will be proportionate to the size, duration, and risk profile of the gift or sponsorship.

**5. Decision-Making and Governance**

Decisions will be taken at appropriate levels:

<b>Level</b>	<b>Responsibility</b>
Fundraising / Development Team	Initial screening and documentation
Senior Management or Gifts Committee	Risk and reputational assessment
Board of Trustees	High-value, high-risk, or contested decisions

All decisions must be documented, including the rationale for acceptance or refusal.

**6. Conditions of Acceptance**

All sponsorships and donations must be governed by written agreements which:

- Set out the purpose and duration of the funding
- Confirm that the organisation retains full independence
- Specify recognition and branding arrangements
- Allow the organisation to terminate or withdraw if risks change

No sponsor or donor may influence artistic, curatorial, or operational decisions.

**7. Recognition and Naming**

Recognition of sponsors and donors will be:

- Appropriate, proportionate, and time-limited
- Consistent with our mission and public character
- Subject to review if reputational risks emerge

Naming rights may be withdrawn if continued association becomes inconsistent with our values or reputation.

**8. Monitoring and Review**

All ongoing sponsorships and significant donations will be reviewed periodically to ensure continued alignment with this policy.

If new information or circumstances arise that create concern, the funding will be reassessed using our Decision Matrix.

**9. Responding to Controversy or Public Concern**

Where a funding relationship becomes publicly contested, [Organisation Name] will:

- Assess the risks using the Decision Matrix
- Escalate the issue to senior management and the Board
- Engage transparently with stakeholders
- Take action proportionate to the level of risk

**10. Exit and Withdrawal**

Where funding is deemed incompatible with our values, mission, or public trust, the organisation may:

- Refuse further payments
- Terminate sponsorship
- Remove recognition or naming
- Return funds where appropriate

Decisions will be made with due regard to legal, financial, and reputational implications.

If you're a private (non-charity) arts organisation you're not covered by UK charity law's public-benefit tests, but you are still judged in the court of public opinion, by artists, audiences, staff and funders.

Below is a detailed, practical framework for private, commercial (non-charitable) arts organisations on sponsorship, due diligence and managing activism or protest against sponsorship.

### **1. Understand What "Due Diligence" Means for a Private Arts Organisation**

For non-charitable arts organisations, due diligence is not primarily legal compliance (as it often is for charities) but risk management across four main areas:

- Reputational risk - How the sponsor reflects on your brand, artists, audiences and partners
- Operational risk - Whether the sponsorship could disrupt programming, staffing or partnerships
- Commercial risk - Impact on ticket sales, clients, investors or future sponsors
- Ethical alignment risk - Tension between sponsor activity and your organisation's stated values, creative mission or audience expectations

Importantly, private companies have more freedom than charities, but also less public sympathy if decisions appear careless or purely profit-driven.

### **2. Establish an Internal Sponsorship Ethics Framework (Before Any Offer)**

Activism becomes hardest to manage when decisions appear ad hoc. A clear internal framework allows you to respond consistently and defensibly.

#### **A. Define Your Organisational "Red Lines"**

These should be documented internally (and partially externally if appropriate). Examples include:

- Industries you will not accept funding from (e.g. arms, tobacco, pornography)
- Practices you consider unacceptable (e.g. human rights abuses, environmental violations, discriminatory conduct)
- Conditions under which sponsorship would be reviewed or terminated

These do not need to be moral absolutes - but they must be clear and applied consistently.

#### **B. Clarify What "Alignment" Means for You**

Alignment can include:

- Shared values (e.g. sustainability, diversity, innovation)
- Neutral coexistence (no contradiction, even if not shared values)
- Clear separation (sponsor support without value endorsement)

Be explicit internally whether sponsorship implies:

- Endorsement
- Association only
- Transactional support

Ambiguity fuels activism.

### **3. Conduct Structured Sponsorship Due Diligence**

#### **A. Baseline Checks (Always Do These)**

- Ownership structure and ultimate parent companies
- Core business activities (not just branding)
- Major controversies in the last 5–10 years
- Litigation, regulatory action or sanctions
- Public commitments vs actual behaviour

This should be proportionate to the scale and visibility of the sponsorship.

#### **B. Enhanced Checks for High-Risk Sponsors**

If a sponsor operates in a controversial sector or has a complex public profile:

- Review NGO reports and credible journalism
- Assess activist campaigns already targeting them
- Map connections to political, environmental or social controversies
- Identify whether criticism is historical, ongoing or escalating

The key question is not *"Is this company perfect?"* but:

*"Is association with this sponsor likely to provoke sustained, credible opposition that materially harms us?"*

#### **C. Artist and Audience Sensitivity Mapping**

Private arts organisations often underestimate this step. Ask:

- Are your artists politically engaged or vocal on related issues?
- Does your audience skew toward demographics likely to mobilise (e.g. students, activists, cultural workers)?
- Has your organisation previously taken public stances that conflict with the sponsor?

This is about predicting reaction, not censoring art.

### **4. Decision-Making and Documentation**

#### **A. Formalise the Decision Process**

Even if you are small or privately owned:

- Record the risks considered
- Record the rationale for accepting or rejecting sponsorship
- Note any mitigating measures (e.g. limited branding, time-bound deals)

This protects you later when challenged.

## B. Include Exit and Review Clauses

Your sponsorship contracts should include:

- Reputation and conduct clauses
- Clear termination rights if association becomes damaging
- Review points if circumstances change

These clauses are essential when activism escalates unexpectedly.

## 5. Preparing for Activism Before It Happens

### A. Assume Activism Is a “When”, Not an “If”

In the current cultural climate, any major sponsor can become contentious.

- Preparation should include:
- A named internal decision-maker or crisis group
- Pre-agreed principles for response
- Media and social media protocols

### B. Scenario Planning

#### Ask:

- What if artists refuse to participate?
- What if staff publicly object?
- What if audiences boycott?
- What if the sponsor itself becomes defensive or demands control?

Have rough responses prepared—not scripts, but positions.

## 6. Responding to Activism Against Sponsorship

### A. First Response: Slow, Calm and Credible

Avoid:

- Immediate defensiveness
- Dismissing activists as “a minority”
- Over-legalised statements

Do:

- Acknowledge concerns
- State that you are listening
- Explain (briefly) your decision-making framework

Tone matters as much as content.

### B. Distinguish Between Types of Activism

Not all opposition is the same:

1. Good-faith critique - Reasoned, values-based objections
2. Artist-led resistance - Especially powerful and high-risk
3. Audience or community concern - Can affect sales and loyalty
4. Organised activist campaigns - Strategic, media-savvy, persistent

Your response should differ accordingly. A one-size-fits-all response almost always fails.

## C. Engage Selectively, Not Universally

**You are not required to debate everyone.**

Best practice:

- Engage directly with artists and staff first
- Acknowledge public concern without amplifying extreme demands
- Avoid social media arguments
- Keep communications consistent across platforms

Private organisations are allowed to say:

“We have considered these concerns and made a decision we stand by.”

## 7. When to Hold Firm (and When Not To)

For private, commercial arts organisations, the default should be to hold firm when sponsorship is challenged. Activism is often designed to create pressure and uncertainty; if you withdraw too quickly, you signal that your organisation is easy to leverage, making future sponsorships harder to secure.

**You should usually hold firm when:**

- **Your due diligence was sound** - You assessed the risks and made an informed decision.
- **Nothing material has changed** - The criticism is based on issues that were already known.
- **The impact is mostly symbolic** - Noise on social media or protest does not equal real business damage.
- **Opposition is not universal** - A vocal group does not represent all artists, staff, or audiences.
- **You want to protect long-term sponsor confidence** - Reliable partners do not abandon deals at the first sign of controversy.

### What holding firm looks like

Holding firm is not dismissive. It means acknowledging concerns, explaining your rationale and standing by your decision:

“We understand the concerns raised. We considered these issues carefully before entering this partnership and remain confident it is right for our organisation.”

### When to reconsider

Only rethink a sponsorship if new, serious facts emerge or the partnership becomes operationally unworkable (e.g. mass artist withdrawal or legal risk). If you do walk away, frame it as a change in circumstances, not a concession to pressure.

**If you acted responsibly, holding firm is not unethical — it is professional.**

## 8. Communicating Outcomes

### Whether you keep or drop the sponsor:

- Be transparent about your process (not every detail, but the principles)
- Avoid moral grandstanding
- Avoid blaming activists or the sponsor
- Emphasise organisational stability and artistic mission

Example framing:

*“We recognise the complexity of this issue and have made a decision based on our responsibility to our artists, audiences and long-term sustainability.”*

## 9. Long-Term Strategies to Reduce Future Conflict

### A. Diversify Income Streams

The more financially dependent you are on a single sponsor, the more vulnerable you are to activism pressure.

### B. Build Values Literacy Internally

Ensure staff and leadership understand:

- Why sponsorships exist
- How decisions are made
- Where ethical boundaries lie

Silence internally breeds public dissent.

### C. Review Sponsorships Regularly

Annual reviews allow you to:

- Respond to changing public contexts
- Reassess risk
- Exit gracefully if needed

## 10. Key Takeaway

### For private, non-charitable arts organisations:

- Sponsorship due diligence is strategic, not just ethical
- Activism is a predictable business risk, not a crisis of legitimacy
- Clear frameworks, documented decisions and calm communication are your strongest protections
- You do not need to satisfy everyone - but you do need to act coherently, consistently and credibly

A decision matrix is a simple tool that helps organisations make **fair, transparent and defensible decisions** when choices are difficult, controversial or risky.

It turns opinions and emotions into structured judgment.

### A decision matrix is a table that:

- Breaks a complex decision into key criteria
- Scores each criterion using the same scale
- Produces a total score that guides what action to take

Instead of asking:

*“How do we feel about this sponsor?”*

It asks:

*“How risky is this across the things that matter most?”*

### Without a matrix, organisations tend to:

- Panic and overreact
- Or ignore problems because money is involved
- Or make inconsistent decisions

A decision matrix prevents:

- Knee-jerk cancellations
- Hidden bias
- Political or personal influence
- “Who shouts loudest” decision-making

A Decision Matrix balances Money, Ethics and Reputation, forcing leadership to look at all three at once.

**Decision Matrix – Funding Under Scrutiny**

This matrix is used when a sponsorship, donation, or funding relationship becomes subject to public concern, media attention or internal ethical review.

Each criterion is scored from 1 (low risk) to 5 (high risk).

<b>Criterion</b>	<b>1 – Low Risk</b>	<b>3 – Medium Risk</b>	<b>5 – High Risk</b>
Alignment with Mission	Fully aligned with organisational purpose	Partially aligned or ambiguous	Conflicts with mission or values
Reputational Impact	No criticism or concern	Some criticism or activist attention	Widespread public, media or sector criticism
Legal & Compliance risk	No legal or regulatory risk	Some uncertainty	High likelihood of breach or investigation
Stakeholder Trust	Strengthens or has no impact on trust	Mixed stakeholder views	Damages trust with audiences, staff or partners
Influence or Control	No demands or interference	Some informal influence	Attempts to control or shape decisions
Transparency of Funding	Fully disclosed and documented	Some gaps in information	Opaque, hidden or unclear source

**Scoring and Actions**

<b>Total Score</b>	<b>Risk Level</b>	<b>Required Action</b>
6–12	Low	Continue funding and monitor
13–18	Medium	Mitigate risk, clarify terms and increase transparency
19–30	High	Escalate to Board. Decide to maintain, pause or terminate relationship

Apply this matrix when:

- Public or media criticism arises
- Activist campaigns or petitions appear
- Staff or stakeholders raise concerns
- New information about a funder emerges