



## The Orr Mackintosh Foundation Limited (known as “ShareGift”)

ShareGift policy	Donor Policy
Effective from	Jun 22
Next review date	Jun 23

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## 1. Purpose of the policy

This policy has been developed as a guide on how ShareGift (The Orr Mackintosh Foundation Limited) identifies and screens donors and/or donations.

The policy's key purpose is to ensure that the reputation of ShareGift is protected from any actual or perceived impropriety in the relationship that is established through the offer and receipt of a donation of shares or cash, or other type of financial asset. It also has an important role to play in ensuring that all donors to ShareGift understand how ShareGift operates and are clear on the circumstances in which a donation may be accepted.

Additionally, and most importantly, this policy highlights ShareGift's commitment to operating in a legal, open, honest and respectful manner with its donors and supporters.

## 2. Scope

The policy applies to all ShareGift donors – whether corporates or individuals - and all sources of donations, and must be adhered to at all times by all ShareGift staff and Trustees. Certain specific requirements relate to donations at different value thresholds; these are detailed later in this document.

Charitable donations include but are not exclusively limited to cash, cheques, bank transfers, shares, financial instruments, documents, property, bonds, legacy gifts, tangible personal property, corporate sponsorships and gifts.

## 3. Sources of donations

ShareGift typically receives donations via two distinct routes:

- Directly from donors, or their personal representatives (called '**route 1**' for the purposes of this document); and
- From third party FCA registered partners, including brokers, custodians, share plan providers, registrars etc ('**route 2**').

For route 1 donations, ShareGift will typically receive information pertaining to the donor as standard.

For route 2 donations, ShareGift will not typically receive such information. There are a variety of circumstances which fall into this category, including but not limited to:

- We may receive a share certificate registered into our own name via the registrars with no underlying details of the donor (we typically receive around 2,500 of these per year);
- We may receive a transfer of shares into a Corporate Sponsored Nominee account initiated by the shareholder, which will be identifiable just as a movement on our quarterly account statement (we typically receive around 1,000 of these transfers per year);

- We will receive reissued capital/dividend payments, either via BACS or cheque, where we may have no details of the underlying donor or just their name (we receive around 10,000+ such payments per year);
- We will receive transfers of cash/shares into our broker/custodian accounts where we may have no details of the underlying donor (we receive tens of thousands of these transfers per year);
- We will receive the proceeds of share dealing services via the registrars, where we will have no details of the underlying shareholder unless they have elected for Gift Aid;
- We may receive amalgamated income or capital payments from Corporate Actions where fractional or small value entitlements are donated to ShareGift; and
- We may receive unclaimed assets donations under CASS rules or an FCA waiver where we will have no details of the underlying source.

In all of the circumstances described above for route 2, the values for these individual transactions (before amalgamation) will almost all be small (under £500) and almost without exception under the £10,000 top bracket. Where amalgamated totals exceed £10,000 we will make efforts, where necessary, to verify that no single donor exceeds £10,000 in value.

Under route 1, ShareGift regularly receives donations with significant value, and these are handled in accordance with our Large Donations Note (see Appendix 1). We class a large donation as being valued at £500 or more. The value of shares is determined on best efforts based on the listed value of an asset on a recognised exchange where applicable, as at the date of receipt.

This policy has been drafted to complement and intersect with existing ShareGift policies including (but not limited to) the Grant-making Policy, Anti-Bribery & Corruption Policy, Conflicts of Interest Policy, Data Protection Policy, Privacy Policy.

#### **4. Donor screening – guiding principles**

These guiding principles have been drafted with reference to the Charity Commission's '[Know Your Donor](#)' principles.

ShareGift's donor screening process aims to achieve the following objectives:

- Assesses any risks (whether reputational, financial, legal, ethical, tax or governance-related) to ShareGift that may arise from accepting certain types of donation;
- Ensure that it is appropriate for ShareGift to accept a donation from any particular donor, whether that is an individual or organisation;
- Provides ShareGift's Trustees with reasonable assurance that the donation is not from any illegal or inappropriate source;
- Ensures that the donor (and their advisor or any intermediary acting on their behalf, where appropriate) fully understands that ShareGift can only accept significant donations within the context and terms of ShareGift's Large Donations Note, and that ShareGift cannot operate otherwise; and
- Also ensures that the donor (and their advisor or any intermediary acting on their behalf, where appropriate) fully understands that any subsequent charitable donation is subject to the provisions of the Grant-making Policy. For example, this may mean in certain circumstances that we may not be able to make a donation of a particular value to a suggested charity due to it being too large in value in proportion to the charity's annual turnover.

## **5. Donor screening at different donation value thresholds**

The current notional value of shares is defined as the listed value of donated shares on a Recognised Stock Exchange (RSE) received on the date of deemed donation, or when we are first aware of the donated holding. RSEs are defined in Section 1005 Income Tax Act 2007. It includes the London Stock Exchange, AIM, Aquis Exchange, and any Stock Exchange outside the UK designated as an RSE by HMRC.

ShareGift has three donation value thresholds at which differentiated donor screening processes apply:

- Under £500
- £500 to £9,999
- £10,000 and above.

Individual donations of cash or shares or other financial asset valued at less than £500 are deemed small, and therefore do not fall within the purview of ShareGift's Large Donations Note. At this low value and high volume of transactions (received via routes 1 and 2), we do not deem screening to be necessary or an appropriate use of our resources.

Donations valued at £500 and up to and including £9,999 are treated as large donations and when received via route 1 are clearly subject to the provisions outlined in the Large Donations Note. We may still accept anonymous donations at this level but will make reasonable endeavours to ensure that we at least have some narrative background regarding the source of the donation and that we have confirmed the donation is due to ShareGift.

Donations valued at £10,000 and above are also treated as large donations and when received via route 1 are therefore subject to the Large Donations Note. We will not accept any donation at or above this level without confirmation that the donation is due to us and some narrative identifying the donor to ensure there are no potential risks or unexplored issues. Alternatively, where applicable, we will obtain confirmation that the donation consists of amalgamated donations below this value ('route 2').

For all individually identified donors ('route 1') across the three value thresholds, we will seek to ascertain that the donor understands how ShareGift operates. In evidencing this understanding we may rely upon emails, phone calls, and/or communications between the donor and ShareGift and/or appropriately authorised FCA registered partners (or, where appropriate, the equivalent international parties) including (but not limited to): brokers, custodians, solicitors, agents, executors, financial advisors, registrars and share plan administrators. This evidence is also relied upon by ShareGift regarding the underlying source of donations reaching us via route 2.

## **6. Additional screening steps**

Under the following circumstances, donors and/or donations may also be subject to the following process steps:

- For donations at or above £10,000 in value, Bridger checks (which seek to identify where donations emanate from potentially sanctioned individuals, and/or countries, and/or companies, resulting in their rejection) will be made;
- For all donations arising from legacies and wills, in accordance with best practice for charities in this area, we will seek to a) obtain a copy of the will; b) ensure good receipt from

the executor(s); and c) understand the legator's charitable interests, intentions and/or any suggestions. It should be borne in mind that the executor's / executors' understanding of how ShareGift operates, is also important.

## **7. Review and monitoring**

This policy will be reviewed 12 months after its initial creation and then at least every two years, by ShareGift's Board of Trustees, to ensure that it is achieving its objectives and that these objectives remain relevant.

## Appendix 1: Large Donations Note

### Large Donations



#### What we class as a 'large donation'

ShareGift was set up in 1996 to help solve the problems that can be caused by small shareholdings, but we do welcome donations of any size and frequently receive larger donations. For practical purposes at ShareGift, shareholdings worth over £500 are defined as 'large', as this is the level where generally it is possible for us to sell the shares straight away and subsequently make donations to charities.

#### You may wish to donate a larger holding of shares to ShareGift if:

*A charity you support is not set up to accept share donations*

Many charities, especially smaller charities, are not able to accept share donations as they do not have the expertise or facilities to deal with them.

*You have a complicated share transaction and need help*

The ShareGift team has many years of experience in share registration and settlement, and may be able to accept shares that other charities or brokers cannot assist you with.

*You wish a number of charities to benefit from the same shareholding*

If you were considering splitting a large value share donation between a number of different charities, the amount of work and the costs involved for you and the charities may be off-putting. ShareGift can accept and act upon a number of charity suggestions. ShareGift also benefits from free stockbroking and custodial services, thanks to the generous support of our partners.

*You wish to remain anonymous to charities*

ShareGift does not fundraise and will only contact you in respect of the donation you wish to make. We do not send unsolicited mailings,

*benefitting from your gift of shares to ShareGift*      nor do we pass on your details to beneficiary charities or any other third party.

### **How ShareGift handles large donations:**

- Our policy is to sell donated shares as soon as we can. We do not take an investment view.
- ShareGift is cause-neutral, meaning that we do not make a judgment on the relative merits of different charities or causes. Instead, we give to the charities and causes that a) donors and supporters suggest to us and b) we identify from time to time through our own research. We do however carry out due diligence on all the charities we support. If there is some reason why we cannot give to a charity you have suggested, we will let you know before we transfer the shares.
- We make donations in round figures, based on a number of factors, including the value we realise for shares and the overall size of the distribution contemplated. We do not sell shares and pass on the exact proceeds to beneficiary charities, nor do we take any kind of commission from the value of the shares. As a significant proportion of other donations that we receive come to us without a charity suggestion, we are normally in a position to round up the amount we donate to charities, but we cannot guarantee this.
- We make regular distributions to beneficiary charities on an ongoing basis. We will normally include the charity suggestions from large donations in our next distribution following the sale of the shares, but we cannot guarantee this.
- All of the donations we make to beneficiary charities come from ShareGift. We never pass on the names of our donors to beneficiary charities or to any third party.
- We cannot enter into correspondence about the exact donations we will make or the timing of such donations in advance.
- If you wish to let a charity know that you have donated shares to ShareGift and suggested them for a future gift from us, you are of course welcome to do so.
- If you would like to see a copy of a charity's letter of acknowledgment / receipt of funds from ShareGift following your suggestion, please let us know.

- We are delighted to help but can only operate as described. Please be certain that giving to ShareGift and the way we handle donations is appropriate for your purposes. Alternatively, you can contact the charity or charities that you are interested in directly for details of their own share donation procedures. We generally cannot accept share donations from other charities.

### **ShareGift's costs**

ShareGift makes no charges to donors or charities. ShareGift meets its running costs partly from existing assets, general donations and from an endowment. ShareGift is run by a small team, and we keep our costs to a minimum so that we can pass on as much of our income as possible to charitable causes. We benefit from generous assistance with donated services, including free broking and custodial services. However, donations to help us continue to provide our assistance for free are always gratefully received.

### **Contact us**

If you have any further questions about any aspect of donating your shares, please contact us.

[help@sharegift.org](mailto:help@sharegift.org)

020 7930 3737