

	Accepting and Rejecting Donations Policy and Procedure	
	Type: Policy	Approval Date: 17.03.25
	Document Owner: Finance	Version: 1.0
	Document No: ORH-15	Review History: 17.03.25
	Approved By: Board	

1.0 INTRODUCTION

Our Rainbow House is committed to maintaining transparency, integrity, and accountability in all our financial operations, particularly with respect to donations. This policy outlines the criteria for accepting or rejecting donations to ensure that our organisation's endeavours and affiliations are consistent with our mission, values, and legal responsibilities. The policy ensures that all donations are used effectively to support the mission of providing quality education to children in Zambia.

2.0 REFERENCE

Our Rainbow House Refund Policy and Procedure

Our Rainbow House Prevention of Financial Wrongdoing Policy and Procedure

Our Rainbow House Privacy Policy and Procedure

3.0 DEFINITIONS

Beneficiary shall mean any person, of any age, who benefits directly from Our Rainbow House programs. This includes students, staff members, guardians, caregivers and other program participants.

Representative shall mean any board member, staff member, volunteer, student placement, apprentice, contractor, sub-contractor or any other person who is caused to undertake tasks or duties on behalf of Our Rainbow House.

Stakeholder means a person or group having an interest in the performance or success of our organisation.

Donation shall mean any gift, contribution, or offering, in the form of money, goods, or services, provided to Our Rainbow House to support its activities, operations, or mission.

Monetary Donation shall mean any donation made in the form of money, which may include cash, bank transfers, checks, credit card payments, or pledges of financial support.

In-kind Donation shall mean non-monetary donations consisting of goods, services, or materials (such as school supplies, computers, books, or volunteer services) instead of cash.

Corporate Sponsorship shall mean financial support or donations made by a business or corporation in exchange for some form of recognition or promotion. This may include advertising, public acknowledgment, or branding opportunities.

Restricted Donation shall mean a donation made with specified conditions or limitations on its use. The donor may direct that the funds be used for a specific program, project, or purpose within the organization.

Unrestricted Donation shall mean a donation made without specific conditions, allowing the organization to use the funds for any purpose that supports its general mission and operational needs.

Due Diligence is the process of thoroughly evaluating a potential donor's background, source of funds, business practices, and any potential legal or ethical risks to ensure that donations comply with the organization's mission, values, and legal requirements.

Suspicious or Unclear Source of Funds are funds whose origin cannot be verified or which are suspected to be associated with illegal activities such as money laundering, terrorism financing, or activities that violate international sanctions.

Sanctions Violation is any action that breaches national or international sanctions regulations, which may include engaging in financial transactions with individuals, organisations, or countries subject to trade restrictions, asset freezes, or other prohibitive measures.

Reputation Risk is the potential harm to the organisation's public image or credibility that may result from accepting donations from sources whose activities, values, or affiliations are considered unethical or controversial.

Financial Viability is the ability of the organisation to manage and utilize donations effectively, ensuring that resources are used efficiently and that accepting a donation does not create financial or operational burdens that exceed the organisation's capacity.

Ethical Standards are the principles of honesty, integrity, transparency, and fairness that govern the organisation's actions and decision-making, including the acceptance of donations and partnerships.

Transparency is the practice of being open, honest, and clear about the organisation's actions, decision-making processes, and financial transactions, including how donations are used and reported.

4.0 SCOPE

This policy applies to:

- all representatives and implementing partners of Our Rainbow House who are involved in accepting, managing, or overseeing donations made to our organisation.
- all donors and supporters of our organisation.
- how Our Rainbow House handles donations, both monetary and in-kind.

5.0 PURPOSE

The purpose of the Policy is to:

- provide clear guidelines for accepting and rejecting donations.
- ensure that all donations align with our organisation's mission, values, and ethical standards.
- safeguard the reputation of our organisation and our beneficiaries.
- comply with relevant Australian and Zambian laws and international best practices.

6.0 RESPONSIBILITIES

It is the responsibility of the Board to approve the policy, make final decisions on difficult cases, and review the policy annually.

It is the responsibility of the Director to oversee policy implementation, ensure compliance, and report to the Board.

It is the responsibility of the Finance Officer to manage the financial processing of donations, ensure proper documentation, and conduct due diligence.

It is the responsibility of the Administration Staff to screen donors, manage donor communications, and handle restricted donations.

It is the responsibility of the Compliance Officer to ensure compliance with laws and manage legal risks related to donations.

It is the responsibility of all Representatives to adhere to this policy and report any concerns.

7.0 POLICY STATEMENT

Types of Donations

Donations may include:

1. **Monetary Donations:** Cash or bank transfers, pledges, and bequests.
2. **In-kind Donations:** Physical goods, services, or materials (e.g., school supplies, books, computers, uniforms).
3. **Corporate Sponsorships:** Funding or support provided by businesses or corporations.
4. **Fundraising Campaign Donations:** Donations from fundraising events or campaigns.

Criteria for Accepting Donations

Our Rainbow House will accept donations that align with the following criteria:

1. **Alignment with Mission:** Donations must support or further the mission and objectives of Our Rainbow House. This includes donations that contribute to school infrastructure, resources, scholarships, teacher training, and other relevant areas.
2. **Legality and Compliance:** Donations must comply with all applicable Australian and Zambian laws, including tax regulations, anti-money laundering laws, and sanctions regulations. Our Rainbow House will not accept donations from sources that violate local or international laws.
3. **Ethical Considerations:** Donations will be evaluated to ensure they align with our values and ethical standards. Our Rainbow House will not accept donations that come from sources involved in unethical practices, such as human rights violations, environmental harm, or any form of exploitation.
4. **Transparency and Accountability:** Our Rainbow House will only accept donations where the source is clear and verifiable. Full transparency in the donation process will be ensured, including the documentation and reporting of the donor's identity and purpose for the donation.
5. **Restrictions on Use:** If a donor places restrictions on the use of their donation, Our Rainbow House must ensure that those restrictions are consistent with our mission and can be implemented effectively. Our Rainbow House will not accept donations with conditions that would limit our autonomy in decision-making or operations.
6. **Financial Viability:** Our Rainbow House will assess the financial implications of accepting donations. If a donation involves ongoing financial support, we will ensure we can manage and utilise the donation effectively without compromising our operations.

Criteria for Rejecting Donations

Our Rainbow House reserves the right to reject donations that:

1. **Source of Funds is Unclear or Suspicious:** Donations from anonymous or suspicious sources, or donations from individuals, organisations, or countries that have been linked to criminal activities, money laundering, terrorism financing, or violations of sanctions, will be rejected.
2. **Conflict with Mission or Values:** Donations from organisations, companies, or individuals whose values or business activities conflict with our mission (e.g., tobacco, alcohol, gambling, arms manufacturers, or companies with poor environmental or labour practices) will be rejected.

3. **Legal or Regulatory Concerns:** Donations that violate Australian or Zambian law, or any international sanctions regulations, will not be accepted. This includes donations from entities that are subject to financial or trade sanctions or who may have ties to prohibited activities.
4. **Unreasonable Conditions:** Donations that come with conditions that would compromise our organisation's autonomy or conflict with our core activities and values, or that impose an unreasonable burden (e.g., excessively specific restrictions on how funds can be used), will be rejected.
5. **Reputation Risk:** Donations that could harm the reputation of Our Rainbow House, our stakeholders, or our beneficiaries will be carefully assessed. If accepting the donation could negatively impact the trust the community has in our organisation or our educational initiatives, the donation will be declined.
6. **Excessive or Unmanageable In-Kind Donations:** Our Rainbow House may reject in-kind donations that we cannot use effectively, either because they do not fit with our immediate needs or because they would impose undue operational, financial or logistical challenges.

8.0 PROCEDURE

Donation Process

1. **Donation Proposal:** Any donation offer (monetary or in-kind) will be formally reviewed by the appropriate staff member or board member to ensure it complies with this policy.
2. **Due Diligence:** A process of due diligence will be conducted to verify the legitimacy of the donation, including screening for any legal, ethical, or reputational concerns, as well as reviewing the donor's compliance with relevant regulations.
3. **Approval Process:** Donations must be approved by the Director before being accepted. This will ensure alignment with our mission and adherence to this policy.
4. **Acknowledgment and Documentation:** Accepted donations will be acknowledged promptly, with a formal thank-you letter and/or receipt provided to the donor. Our Rainbow House will ensure proper documentation of all donations, including the donor's information and the donation's intended use.
5. **Reporting:** Our Rainbow House will maintain transparency by providing annual reports on donations and how they are used. This will include making this information available to stakeholders, donors, and regulatory authorities, as required.

Confidentiality and Privacy

Our Rainbow House will protect the privacy of all donors, including respecting their wishes to remain anonymous if requested. Personal information will be stored securely and used solely for purposes related to the donation process. See *Our Rainbow House Privacy Policy and Procedure*.

9.0 REVIEW

This policy will be reviewed and updated annually to ensure it remains in alignment with our organisation's evolving mission, financial status, and legal requirements. Any changes to the policy will be communicated to all relevant stakeholders.

Date of next review: 17/03/26.