

KNOW YOUR DONOR POLICY

Last updated: June 2026

1. PURPOSE

The UKFC seeks to ensure that donations originate from legitimate and lawful sources, protect against financial crime and reputational harm, and comply with UK legal and regulatory obligations.

The purpose of this Know Your Donor (KYD) Policy is to establish a structured and risk-based framework for identifying, assessing, accepting, monitoring, and managing donations received by the UK Fund for Charities (UKFC).

2. SCOPE

This Policy applies to all donations, fundraising activities, donor relationships, and all trustees, employees, volunteers, contractors, consultants, and agents acting on behalf of the UKFC.

3. LEGAL AND REGULATORY FRAMEWORK

This Policy is informed by UK GDPR, the Data Protection Act 2018, the Proceeds of Crime Act 2002, the Terrorism Act 2000, the Bribery Act 2010, the Fraud Act 2006, the Sanctions and Anti-Money Laundering Act 2018, the Charities Act 2011, and Charity Commission guidance.

4. DEFINITIONS

Definitions include Donor, High-Risk Donor, Politically Exposed Person (PEP), Beneficial Owner, and Sanctions.

5. GOVERNING PRINCIPLES

UKFC shall apply a proportionate and risk-based approach, conduct reasonable donor due diligence, maintain confidentiality, and protect donor information.

6. DONOR DUE DILIGENCE FRAMEWORK

UKFC may collect and verify information relating to individual, corporate, trust, and foundation donors where appropriate.

7. SOURCE OF FUNDS VERIFICATION

The UKFC shall take reasonable and proportionate steps to understand and verify the source of funds associated with donations where the circumstances, value, nature, or risk profile of the donation warrant additional scrutiny.

The purpose of source of funds verification is to provide reasonable assurance that donations have been obtained through lawful means and do not expose the UKFC to risks relating to fraud, money laundering, terrorist financing, sanctions breaches, corruption, tax evasion, bribery, or other financial crime.

7.2 Circumstances Requiring Source of Funds or Source of Wealth Verification

Source of funds or wealth verification will be undertaken where:

- a single donation exceeds the threshold of £10,000;
- cumulative donations from the same donor exceed £25,000 within a rolling 12-month period;
- the donor is categorised as High Risk;
- the donor is a Politically Exposed Person (PEP);
- the donation originates from or passes through a high-risk jurisdiction;
- the source of funds is unclear or inconsistent with information known about the donor;
- adverse media, sanctions, financial crime concerns, or reputational risks are identified;
- donations are made through complex legal structures, intermediaries, trusts, foundations, or corporate vehicles;
- trustees determine that additional verification is necessary to protect UKFC.

7.3 Verification Measures

Depending on the level of risk identified, the UKFC may request and review information or documentation including:

Individual Donors

- written explanation of the source of donated funds;
- confirmation of employment, business ownership, inheritance, investment proceeds, property sale proceeds, or other legitimate source of wealth;
- publicly available information supporting the donor's financial profile.

Corporate Donors

- company registration information;
- beneficial ownership information;
- annual reports or financial statements;
- confirmation of the commercial source of funds used for the donation;
- verification of directors and controlling persons.

Trusts and Foundations

- governing documents;
- trustee information;
- information regarding the origin of funds held by the trust or foundation;
- evidence that funds are being applied for legitimate charitable purposes.

8. RISK-BASED DONOR CATEGORISATION

Donors may be categorised as low, medium, or high risk depending on the nature, size, source, and circumstances of the donation.

9. STANDARD DUE DILIGENCE

All donors are screened against UK sanctions lists and basic KYD checks are performed, where appropriate.

10. ENHANCED DUE DILIGENCE (EDD)

Enhanced Due Diligence measures include source of funds verification, sanctions screening, PEP checks, adverse media screening, and Board approval. Enhanced due diligence is conducted for higher-risk or large donations exceeding £10,000 or cumulative donations from the same donor exceed £25,000 within a rolling 12-month period.

11. SANCTIONS SCREENING

UKFC shall not knowingly accept donations from sanctioned individuals, organisations, or prohibited jurisdictions.

12. DONATIONS

Donations are accepted from individuals, corporates, trusts and foundations.

The UKFC does **not** accept cash donations, anonymous donations, crypto donations, or donations from politically exposed persons (PEPs).

13. DONATION REFUSAL OR RETURN

The UKFC may refuse or return donations where legal, ethical, financial crime, or reputational concerns arise. Any decision to refuse or return a donation will be made by the Board of Trustees and appropriately documented.

14. DATA PROTECTION AND GDPR COMPLIANCE

The UKFC shall process donor personal data lawfully, fairly, transparently, and securely in accordance with UK GDPR and the Data Protection Act 2018.

15. RECORD KEEPING

Appropriate records of donor due diligence, risk assessments, approvals, and escalations shall be securely maintained and retained in accordance with UK legal and regulatory requirements of seven (7) years.

16. REPORTING SUSPICIOUS ACTIVITY

Any suspicious activity must be escalated promptly to the designated Compliance Administrator or senior management.

17. ROLES AND RESPONSIBILITIES

The Board of Trustees, Compliance Administrator, staff, and volunteers all have responsibilities under this Policy.

18. TRAINING

Relevant personnel shall receive periodic training on donor due diligence, GDPR, sanctions, and financial crime awareness.

19. BREACHES OF THIS POLICY

Failure to comply with this Policy may result in disciplinary action, termination, regulatory reporting, or legal consequences.

20. RELATED POLICIES

This Policy should be read alongside the AML and Financial Crime, Privacy and Data Protection, Third-Party, Financial Controls and related governance policies.

21. POLICY REVIEW

This Policy will be reviewed annually or sooner where required by changes in legislation, regulatory expectations or operational risk.

Signed by:



Chairman

Date: 4 June 2026