



# Donation Refund Policy

Created / Adopted by Trustees on 16/02/2024

Reviewed on 10/05/2024

Next Review due May 2026

## **Donation Refund Policy**

Under charity law, charities are not permitted to refund donations, other than in specific circumstances. We may make donation refunds in exceptional circumstances where it is in the best interest of the charity to do so.

### **Applicability**

This policy applies to all trustees, other volunteers, employees, contractors, and third-party representatives of our charity. Its requirements should be reflected in other policies and procedures, agreements and contracts, as necessary.

### **Refunding Donations - Basis**

Once we have accepted a donation it can only be returned:

- if the terms and conditions of the donation provide for it to be returned in particular circumstances; or
- where the law specifically provides for it to be returned in particular circumstances; or
- by way of an 'ex-gratia payment'. That is, a payment made because of a compelling moral, but not legal, obligation, but only subject to the approval of the charity regulator.

If an appeal:

- Fails to generate adequate funds, donors may be entitled to be refunded.
- For a specific purpose exceeds its target, Charity Commission approval may be required to use the additional funding.

To avoid the above, we will draft the terms and conditions for appeals to explain how we will manage donations if either too little or more funding than is required is achieved.

## **Refunding Donations – Made in Error**

Where a donation has been made in error or made by a person who should not or could not have done so, we may consider a refund. We will take all circumstances into account, including reputational and fraud risk, and make our decision in the best interests of the charity. Examples of situations in which we may consider a donation to be a mistake are as follows.

- If we have made a mistake, or you entered the wrong amount by accident or signed up to a repeat donation, when you had intended to make only a one-off donation.
- The person who made the decision did not have the mental capacity to understand what he or she was doing or did not have the correct information or was in vulnerable circumstances at the time.
- If the donation was made unknowingly, for example in a situation where a donation was made with a stolen or lost card.

## **Approval**

If we decide to not make a refund, the individual/organisation will be advised in writing, including the basis of our decision. An appeal may be made in writing to the chair of trustees but must be received within 28 days of the date of our decision. The trustees' decision will be final.

In certain circumstances, it may require the approval of the regulator to refuse or return a donation. We will seek regulatory and/or professional legal guidance whenever appropriate, or if any doubt exists.

## **Recording Decisions**

The full circumstances if any refunds approved by the trustees will be recorded and retained with any supporting documentation or approvals for audit purposes.