

Donations to charities

New Charity Commission guidance on accepting, refusing and returning donations to your charity

07 March 2024

The Charity Commission has issued some [new guidance](#) offering some welcome clarifications on when charities should accept, refuse or return donations.

In principle, donations should be accepted, unless they come from illegal sources or have illegal conditions attached to them, provided the donor had sufficient capacity to donate and was the rightful donor of the donated funds or assets.

The Charity Commission also provides new guidance on when charities may or should return donations (in many cases without the need to obtain the Commission's consent) and we would invite trustees to read the new guidance in its entirety. The regulator expressly reminds trustees of their duties when considering such decisions (*e.g. what is in the best interest of the charity and in accordance with the law and this guidance): personal preferences or views should not dictate decisions.

Our key recommendations for charities are:

1. Consider adopting or reviewing (as the case may be) a policy on accepting, refusing and returning donations (including anonymous donations) which implements the Commission's guidance within the framework of your charity's operations and likely donors and draws on its past experience.
2. Review your due diligence process related to donations in order to ensure that it focuses on relevant facts.
3. Review your contractual clauses governing the acceptance of donations to ensure that they allow a return of any donations in the future in accordance with the new guidance.
4. When considering returning any donations, don't forget to examine the potential tax consequences and whether the return qualifies as a serious incident.

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