MATA Policy - acceptance of donations

The MATA Regal Theatre, Registered Charity No.1052714 and Company No. 3149984 relies on voluntary contributions from its audience and other funders. Donations, including support from individual, company and trusts, help all aspects of the Theatre's work both on stage and off.

We are committed to fundraising best practice and abide by the Fundraising Regulator's key principles and behaviours of a fundraising organisation: to be legal, open, honest and respectful.

We also undertake to comply with relevant law and regulations, including the Proceeds of Crime Act, Data Protection, Tax and Gift Aid legislation, and Charity Commission guidance.

The Fundraiser, who is a member of the Finance Sub Committee and sits on the MATA Committee, monitors potential funders, corporate partners and other donors for compliance and risk, with final decisions taken to the MATA Board of Trustees.

Significant donations are reviewed by the Finance sub-committee in the light of the Tainted Charity Donations rules to prevent the abuse of the tax reliefs available to donors to charities.

(see below)

It is the Board's legal obligation to act in the best long-term interest of the Theatre and to act prudently when deciding to accept or refuse voluntary contributions. The Board will refuse a gift if it can reasonably conclude that its acceptance would be more likely to be detrimental to the organisation than its refusal.

This policy will be reviewed on an annual basis.

Identifying 'tainted charity donations'

Significant donations are reviewed by the Finance sub-committee in the light of "Schedule 3 to the Finance Act (FA) 2011" which introduced new anti-avoidance rules (the Tainted Charity Donations rules) to prevent the abuse of the tax reliefs available to donors to charities.

We consider whether the new rule applies to donations to determine if taxpayer donors intend to enter into arrangements to obtain financial advantage from our charity.

It is noted that the tainted charity donations rules don't apply to a:

- simple donation to charity where no additional arrangements are entered into
- donation under Gift Aid that is within the Gift Aid benefit limits
- donation, any benefit of which has been taken into account in calculating the relief due for donations to charity of shares, securities and real property, or trading stock

A judgement will be made as to whether it's reasonable to assume that a donation and arrangements would or wouldn't have been made independently of each other. The judgement must take into account the likely effects of the donation and the arrangements and/or the circumstances surrounding the donation and the arrangements entered into.

Guidelines:

The 3 conditions which must be met for a donation to be tainted are:

Condition A the donation to the charity and arrangements entered into by the donor are connected.

Condition B the main purpose of entering into the arrangements is for the donor, or someone connected to the donor, to receive a financial advantage directly or indirectly from the charity.

Condition C the donation isn't made by a qualifying charity-owned company or relevant housing provider linked with the charity to which the donation is made.

All 3 conditions must be met for the new rule to apply.

What's an arrangement?

The action of a donor making a simple donation to charity isn't in itself entering into an arrangement. The term ‘arrangement’ isn’t exhaustively defined in the legislation but includes any scheme, arrangement or understanding of any kind and may involve one or more transactions.

An arrangement doesn’t need to be legally enforceable - it could be an informal understanding between 2 parties that something will be done or some action will (or won’t) be taken.

The making of a donation isn’t in itself an arrangement: when there is a donation, but there are no arrangements, the charity may spend the donation as it sees fit. It’s not under any obligation to the donor.