Due Diligence Policy

**Introduction**

Historically, MANNA has partnered solely with 3/4 Anglican Dioceses in Mozambique and Angola but with the multiplication of Dioceses, a new Province and more collaborative approach with a range of other organisations, the MANNA trustees are working with more Dioceses and organisations and so they need to **exercise due diligence** when sending funds and working with other partners.

This policy lays out how we approach these decisions and gauge risk, what specific information we ask for and how we **assess suitability** as part of the grant application process. For technical legal or financial issues, we may seek appropriate professional opinion and guidance.

**Basic Checks - Organisations**

* If they have a website, we check that what they’re proposing fits with what’s on there. If available, review what it says about key members of their team and download and review their annual report/accounts.
* We carry out an internet search on the company, if available and key individuals, to see if there is anything of concern.
* We make contact with people who work with them and take up references, if appropriate.
* In the event of a new Diocese or organization, we find out who is the names of the all the key people: Bishop, Accountant, Secretary and Standing Committee. We learn of their credentials and qualifications.
* We ask what the financial controls are of the organization and details of the bank account.
* We check the IBAN numbers of new bank accounts.
* After a first grant, we wait for an income and expenditure report to see it has been properly accounted for.
* After the first year of a new organization we ask for audited/examined accounts.
* We talk to other organisations who work or partner with these organisations or dioceses, bearing in mind biases and preconceptions may come into play.

**Fundraising Due Diligence**

**We will undertake reasonable due diligence of donors, to ensure they don't hold views or are involved in activities that might be incompatible with our role and damage our reputation. In terms of donations, we will ensure that any gift is safe to accept and, doing so, would be in the best interests of your charity.**

**We will also consider issues, such suspicious donations, or managing large anonymous gifts, or those from vulnerable individuals. If there may be any risk in terms of our working with individuals who have been placed on the UK designated persons or sanctions lists, we will check these.**

**Individuals**

There may be circumstances where you may consider it appropriate to check individuals. There are a variety of checks that could be carried out, including if someone:

* is currently [declared bankrupt](https://www.gov.uk/search-bankruptcy-insolvency-register) (or is subject to bankruptcy restrictions or an interim order) or has an individual voluntary agreement (IVA) with creditors
* is [disqualified from being a company director](https://www.gov.uk/company-director-disqualification)
* has previously been removed as a trustee by either the commission or the High Court due to misconduct or mismanagement. Charity Commission [automatic disqualification rules](https://www.gov.uk/guidance/automatic-disqualification-rules-for-charity-trustees-and-charity-senior-positions). You can check individuals names’ [here](https://apps.charitycommission.gov.uk/trusteeregister/search.aspx?RegisteredCharityNumber=&CurrentLanguage=English&SubsidiaryNumber=&=DocType&).
* Is listed on any UK [registers of court and other judgements](https://search.trustonline.org.uk/Search/Person) (small fee).

**Additional Checks**

Depending on the nature, location of a project and the degree of risk, applicable additional checks may be carried out, using the framework below.

**Ethics -**activities that are illegal or incompatible with our values. Issues such as corruption/bribery, criminal activities, discrimination, bullying, exploitation of people, or the environment, or involvement with radical groups, or companies, regimes, products or services that conflict with our aims/values.

* Confirmation that there are adequate safeguarding procedures in place and being consistently applied to ensure vulnerable people are kept safe from harm.
* For large UK organisations, compliance with the [Modern Slavery Act UK](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/649906/Transparency_in_Supply_Chains_A_Practical_Guide_2017.pdf), including their supply chain management.
* For UK individuals, checks for [disqualified director](https://www.gov.uk/search-the-register-of-disqualified-company-directors), [insolvency/bankruptcy](https://www.gov.uk/search-bankruptcy-insolvency-register) or Charity Commission [automatic disqualification](https://www.gov.uk/guidance/automatic-disqualification-rules-for-charity-trustees-and-charity-senior-positions).
* For donors - potentially [tainted donations](https://www.gov.uk/government/publications/charities-detailed-guidance-notes/annex-viii-tainted-charity-donations) (tax avoidance schemes).

**Finance –**risk of takeover, sustained annual operating losses, level of leverage (debt) too high for their sector, bad credit risk, liquidity (cash flow) issues, weak asset base, unusual, related party or intercompany transactions, or significant amounts of capital being taken out of company, adverse comments by auditors, court judgements, significant recent debt restructuring/profit warnings or redundancies.

* If applicable, the [Charity Commission for England and Wales](https://www.gov.uk/government/organisations/charity-commission), [OSCR (Scotland](https://www.oscr.org.uk/about-charities/search-the-register/register-search/)), [CCNI (Northern Ireland)](https://www.charitycommissionni.org.uk/charity-search/?pageNumber=1), [UK Companies House](https://www.gov.uk/get-information-about-a-company) (or other registrar) records and obtain a copy of their accounts, if available.
* Buy an online company assessment/risk report.

**Ability to Deliver -**capacity to deliver services/products, track record in delivery, security around key staff (e.g., a small company relying on a single individual), any supply chain issues (e.g., reliance on shipments from overseas), or an organisation that has operated in only a single area delivering in an entirely new one.

* Check during negotiations and take up references specifically covering any areas of concern.

**Reputational Risk –**any potential negative media attention, or concerns from other funders/partners from being associated with this company/individual.

**Contracts**- check that the balance between the costs, benefits and liabilities is fair, and there are no onerous or unreasonable obligations.

**Conflicts of Interest**- ensure our conflict-of-interest policy is complied with. Additionally, our sector is driven by passion and funding is hugely challenging for many, which brings with it the risk of urgent need clouding thinking. The fundraisers and project leaders may well be best placed to carry out due diligence. However, their findings should be reviewed and approved by someone with the necessary experience and seniority, who is also sufficiently and demonstrably distant from the issue.

**Contracts/Agreements** – deliverables wholly charitable in nature, clearly specified (quantity/quality/timescale), clear monitoring and reporting throughout and at end of project, with provision to cancel/claw back funding, if necessary.