Acceptance and refusal of donations – policy

Updated May 2018

For the purposes of this document, funding is defined as income to the College generated through agreement with a commercial entity, non-profit making organisation, institution, charitable trust or other organisation, and individuals, including agreements that provide for acknowledgement and publicising of such funding through specific College activities and outputs.

1. Key principles

General

• The practice of a profession must be governed by its ethical standards. It is one of the functions of the Royal College to offer guidance to its members and fellows as to what these standards should be. A guiding ethical principle of the College is its commitment to the welfare of children worldwide.

• Any relationship with an external corporation, institution, or individual needs to align with the mission, vision and values of the RCPCH, its charitable objects, and its position statements on issues of research, policy and education.

• All dealings with external parties should be undertaken with transparency and professionalism

• It is acknowledged that the College needs, and actively seeks, funding and donations as a method of supporting its work or reducing the costs of its services to the benefit of its members. It also recognises that any potential commercial sponsor and certain not for profit organisations will have their own commercial and other business interests which they seek to develop through their support.
Specific

- All funding activity will be subject to formal contract which will include a binding code of conduct
- All funding activity must align with the College's charitable objects
- In all funding/support relationships the RCPCH will retain control of title, educational and/or specific content in respect of any College activity and the level and form of advertising or acknowledgement
- Acceptance of funding or donations from any commercial or not for profit organisation, statutory institution, or individual, must never imply, or be represented as implying, an endorsement by the RCPCH of their products, services, policies or beliefs, unless specific arrangements are made under separate contract.
- Any use of the College logo in any context is in the control of, and subject to authorisation by, the RCPCH
- A full declaration of interests will be expected from any individuals who have a relationship with the College and who may be involved or associated with commercial, not for profit, or statutory organisations.
- All offers of funding will be reviewed under the “Policy for accepting donations/funding” [Appendix A] before acceptance.

2. Funder categories

There are three broad categories of funder or donor

No-go or blacklist

- Any company that produces tobacco
- Any company that manufactures arms
- Any company that produces alcoholic drinks
- Any company that engages in exploitative labour practices, as defined by the International Labour Organisation
- Any individual whose donation has been derived from illicit dealings or from dealings which are considered not to meet the ethical standards of the College
- Any political or overtly political campaigning organisation

Potentially acceptable

- Any company or organisation which has close ties to the activities and outputs of the College, but is likely to be subject to specific conditions - for example:
  - Pharmaceutical companies and associations, medical device manufacturers
Substitute or formula milk manufacturers
- Manufacturers/marketers of children’s products related to health
- Organisations concerned with children’s welfare

- Any company or organisation whose aims and objectives support the College’s vision and mission and does not seek to gain business advantage by direct association with the College nor specific influence over the College’s policies or outputs – for example:
  - Manufacturers/marketers of children’s products unrelated to health
  - Not for profit organisations funding child health improvement programmes
  - Foundations and private charitable trusts supporting child health improvement
  - Statutory organisations

- Any organisation whose support or donation is wholly philanthropic – for example:
  - Foundations, charitable trusts, private trusts whose aims and objectives do not conflict with those of the College

- There should be an option to request that a potential funder completes a declaration of compliance with ethical policies concerning the welfare of children (eg the UN convention on the rights of a child), and relevant statutory and regulatory codes.

3. College activities

College activities can be broadly grouped into two areas:

- Meetings, Conferences and Events
- A wide range of educational, research and policy activity. Examples include: education and training courses, research projects, reviews, fellowships, global programmes

4. Criteria for support of College activities

Meetings, conferences and events

- Any funding/support credits will be agreed and authorised by the RCPCH
- All uses of the RCPCH logo, design work for publications and accompanying marketing output will be authorised by the RCPCH
- Any funders’ products, display materials, promotional items will be confined to stands/exhibition spaces which will be clearly delineated from any educational/“core” activity
• The meeting programme will contain standard wording which clarifies that the College does not endorse any product or service provided by a funder(s)
• The funders’ code of conduct will not allow company representatives to proactively market their products, services or policies
• Offers of funding of any RCPCH hospitality will not be accepted, but pro bono support through the provision of a hospitality event is acceptable
• All advertising specifications will be agreed and authorised by the RCPCH
• Funders’ gifts and promotional items will be limited in value in accordance with recommendations from the Charity Commission
• Speakers at conferences, meetings, etc. must declare any personal or professional relationship with any funder involved

**Education and training courses, research projects, reviews, etc.**

• Support and funding of education and training courses is acceptable under the following conditions:
  o The funding is relevant to the content of the course/activity
  o The funder plays no part whatsoever in the content or construction of the course/activity
  o It is “passive” – ie there is a static presence only
  o The funder is not part of the presentation of the course/activity
  o The funding is of benefit to the members attending the course and the College as a whole

• Support of research projects and fellowships by commercial or other organisations is acceptable subject to the following:
  o The Chair of the appropriate committee, and where relevant the Vice President of Research should authorise all arrangements for any funded research
  o All research undertaken should be wholly independent of the funder: the methodology, results and conclusions must not be influenced by the funder
  o The purpose of the funding should be to promote genuine scientific research
  o There should be a clear acknowledgement of the funder’s involvement and a full declaration of interest as necessary
5. Types of commercial support activity

- **Hospitality**: no direct funding accepted
- **Trade and exhibition stands**: in separated area
- **Symposium**: in separated area
- **Promotional items**: on stands only; limited by value
- **Competitions and prize draws**: limited value
- **Title**: negotiable as appropriate
- **Website**: banners by approval
- **Journals/publications**: advertising by approval
- **eBulletins**: by approval as appropriate

6. Supporter/donor evaluation

Before a funding relationship is established and an agreement is signed the College should undertake an evaluation ("due diligence") of the prospective funder's credentials in respect of ethical positioning, trading policies and other relevant qualifying characteristics in relation to the College's vision, mission and values. The College should be satisfied that any relationship with any funding organisation should ideally enhance the College's standing and in any event should not be to the detriment of the College or be seen to be undermining its values.

This is particularly important in respect of multi-national companies with complex organisational structures where subsidiaries and connected companies need to be included in the evaluation.

It is envisaged that this process should be undertaken by staff and overseen by a Trustee due diligence sub group. It is recognised that some evaluations will be very straightforward and will not require significant enquiry. [See Appendices]

7. Management

The responsibility for funding and the generation of donation income as a whole rests with the Director of Business Development and the Business Development Division.

- The day to day management of funding of an event or activity will rest with the lead manager of that event or activity, or a delegated event manager
• Notwithstanding the source of the original funding contact, all discussions and negotiations with funders should be overseen by the Business Development Manager in conjunction with the manager of the related activity/event.

• A template funding agreement will be established which will be designed to cater for the majority of specific funding requirements.

• Any variances to this template will need to be specifically agreed by the lead manager of the activity/event and the Director of Business Development.

• Any support/funding agreement will need authorisation from two of the following:
  o Lead manager of activity/event
  o Business Development Manager
  o Director of Business Development

• In the case of a controversial issue, the Director of Business Development will refer authorisation to the Chief Executive Officer, and as necessary the relevant Officer.

• There will be a regular update report submitted to Executive Committee on all funding agreements entered into, including activities and financial impact.

• Major donations over the value of £10,000 will be individually acknowledged in the Annual Report. Lower level donations will be acknowledged as a group consolidated by value and number.
Appendix 1 - Policy for accepting donations/funding

Implementer of policy: The process for acceptance of donations/funding, the due diligence process, and the donor/industry relationship, will normally sit with the Director of Business Development, with support from the Head of Governance. However, funding sources identified through other Divisions will be overseen by the relevant Director, with reference to the Director of Business Development.

Divisional Directors are required to discuss offers of funding that are potentially contentious with the Director of Business Development and as necessary the Chief Executive.

A. Scope of policy, sources of information and guiding principles

1. **Scope of policy**
   a. Funding for restricted projects, including research projects and educational activities and related publications
   b. Advertising in all media formats (including digital, ADC, BNFC and other joint ventures)
   c. Conference stands, publications and marketing opportunities
   d. Individual donations, including legacies
   e. Funding of events, publications, and other specified outputs
   f. Children’s Research Fellowship Fund

2. **Sources of information/guidance**
   Guidance has been referenced from the Charity Commission, the Fundraising Standards Board, the National Council of Voluntary Organisations and other Royal Colleges.

3. **Guiding principles**
   a. Proportionality
   b. Transparency

B. The acceptance of funding: the due diligence process

Factors in assessing acceptability of funding

1. **Source of funding:**
   a. Funding body/organisation
     i. Its position, reputation, credibility
     ii. Industry sector
iii. Product/service impact and reputation
iv. Global “footprint”

b. Individual donation
   i. Position, reputation, credibility
   ii. Funding vehicle
   iii. source of funds

2. Alignment with RCPCH goals, vision and values
   a. Position statements
   b. Research, policy and education
   c. Corporate policies and practices
   d. Relationship to infants, children and young people
   e. Industry sector

3. Potential for conflict of interest and reputational risk
   a. Summary results of factors above
   b. Long term strategic impact and reputation
   c. Work towards which funding will go, and potential for conflicts with RCPCH interests.

4. Size of funding
   Whilst in principle the size of any funding should not affect the due diligence process, greater interest will be attracted towards larger donations, and the process will recognise levels of risk associated with this.

In all cases factors 1-4 above will be considered in the assessment of acceptability of any funding being offered, with an overall risk level being identified.

- Lower risk: funding can be accepted
- Medium risk: funding can be accepted with specific conditions
- High risk: funding is likely not to be accepted

It is worth noting that any donations referred to the Trustee Board will be dealt with by a sub-committee consisting of the Chair, finance, legal and paediatrician representatives in order to keep the process streamlined and timely. The sub-committee will report back any decisions to the full Board of Trustees.

C. Acceptance of funding: specific conditions

The Children’s Research Fellowship Fund

Donations to this fund to support the work of the RCPCH will be accepted under the following conditions:

- due diligence completed and assured
- agreement by the Board of Trustees for amounts exceeding £100,000
- donors and amounts are openly declared (published in Annual Report/Review)
- a donor can nominate the broad area of research interest, but cannot determine a specific project
- no involvement by the donor in the use of funds
Educational Projects

Donations to educational projects will be accepted under the following conditions:

- due diligence completed and assured
- agreement by the Board of Trustees for amounts exceeding £100,000
- donors and amounts are openly declared;
- no involvement by the donor in the selection of speakers, choice of topic, programme content or actual spend of funds;
- the funder can be appropriately acknowledged

Research Projects

Donations to research projects will be accepted under the following conditions:

- due diligence completed and assured
- donors and amounts are openly declared;
- independent peer review
- approval by an external Research Ethics Committee
- oversight of project by an independent steering committee;
- confidential data held by RCPCH is safe and secure
- no funder involvement in data analysis or interpretation
- no funder involvement in drafting or approving publications
- no funder access to raw data
- the funder can be appropriately acknowledged

D. RCPCH activities incorporating funding:

general considerations

- All funded activity will be subject to formal agreement which will include a binding code of conduct
- All funded activity must fit with the RCPCH public benefit aims
- In all funded relationships, RCPCH will retain control of title, level and form of advertising or acknowledgement
- Acceptance of funding for activities must never imply, or be represented as implying, an endorsement by the RCPCH of products, services policies or beliefs of the funder
- Any use of the RCPCH logo or branding in any context is in the control of, and subject to authorisation by, the RCPCH
• A full declaration of interests is expected from any members, or any individuals who have a relationship with the RCPCH, and who may be involved or associated with commercial, not for profit, or statutory organisations

E. RCPCH activities incorporating funding: specific considerations

Advertising policy
RCPCH will undertake due diligence or require to be assured that due diligence has been undertaken before advertisements appear on any RCPCH branded publication or product.

RCPCH will specifically not agree to the advertisement of any general breast milk substitute product but will accept the advertising of specialist milk formulas

“Specialist milk formula” is understood to be any product relevant to specific clinical situations where clinicians might prescribe or recommend prescription

Conference stands policy
RCPCH will undertake due diligence or require to be assured that due diligence has been undertaken before accepting payment for conference stand space at any RCPCH branded event.

RCPCH will specifically not agree to a conference stand, or any other media/advertising format, providing any information related to general breast milk substitute products but will accept information being available on specialist milk formulas.

Events policy
RCPCH will undertake due diligence or require to be assured that due diligence has been undertaken before advertising at or supporting non-RCPCH events.

RCPCH will specifically only support events funded by companies that market breast milk substitutes if the event is confined to issues related to specialist milk formula.

Return of donations
If for whatever reason a donation is returned to a donor or funder, such decision to return will be based on guidelines as set out by the Charity Commission
Confirmation of agreement, press releases and public statements

Once an agreement has been confirmed between the RCPCH and a funder, any advance press releases or any publicity generated by the funder must be approved by the RCPCH prior to publication.

Disrepute

The RCPCH reserves the right to review decisions taken under the policy at any time. The grounds for such reviews may include, but are not limited to, media coverage bringing a donor into serious or sustained disrepute.
Appendix 2 - RCPCH Due diligence process – summary

In October 2016 RCPCH Council agreed, on the basis of the responses received to its consultation on Formula Milk Company (FMC) funding, to institute a “due diligence” process for all funders.

As defined in the consultation, due diligence “means checking to see if the company in question has been found to be in breach of required codes of conduct.”

The details of this process were established in autumn 2016 following Council. The process has also been developed with reference to Charity Commission guidance on accepting funding. This guidance stresses the importance of a proportionate, risk-based approach to considering any given piece of funding.

The main elements of the RCPCH process are:

1. A self-disclosure questionnaire which funders are required to complete [see Appendix 3 below].
2. A research exercise conducted by College staff on any activities by the funder that might cause reputational risk to the College, be at variance with the College’s objectives, or represent a proven breach of “required codes of conduct”.

If contradictions are found between the results of 1 and 2, the funder is asked to provide explanations for these.

The results of these two pieces of work are referred to senior College management. Depending on the level of risk present, a given piece of funding may be approved by the College’s Senior Management Team under delegated responsibility arrangements or referred upwards, ultimately to the College’s Board of Trustees. At each stage, there is the option to reject a given piece of funding if it appears to be incompatible with the College’s goals and positions.

There are five key determinants of the decision to accept or reject funding or an ongoing relationship with funders. RCPCH requires that organisations:

1. Meet relevant industry Codes of Practice (e.g. ABPI Code of Practice for the Pharmaceutical Industry; the World Health Organisation International Code of Marketing of Breastmilk Substitutes), or show demonstrable commitment to working towards meeting it (e.g. commissioning an independent report into compliance with the relevant Code, and a stated commitment to address gaps identified)
2. Demonstrate willingness to share information on breaches in the UK and internationally, of the relevant Code/s, any past or ongoing investigations or prosecutions for illegal activity, any public reports, and remediating actions taken

3. Are able to provide a reasonable explanation should any inconsistencies be identified between information provided by them and information obtained by the RCPCH

4. Provide evidence of robust governance by the parent company of national businesses within the group

5. Ensure sign-off of “Due Diligence” returns to RCPCH by an international-level Senior Director

This process applies to funding in any of the areas of activity set out in the main body of this document, whether a commercial transaction (eg purchasing stand space at a conference) or supporting a research project or a course.
# Appendix 2 – Funder due diligence form

Royal College of Paediatrics and Child Health  
Funder Due Diligence 2017

In respect of multi-national organisations, all responses must relate to global activities as a whole

| Company Name: |  |
| Registered address: |  |
| Company registration number: |  |
| Phone: |  |
| Email: |  |

1. Has your company been the subject of an investigation by a regulator in the past 5 years? If so, provide details, including the outcome, where known.  
   **Yes/No**

2. Where relevant, does your company meet the standards of the WHO International Code of Marketing of Breastmilk Substitutes?  
   If not, do you have a commitment to working towards the standards of the Code?  
   If so, please provide as much evidence as you can to demonstrate how this commitment is put into practice.  
   **Yes/No**

3. Does your company conform to any other significant international or national code of practice: e.g. the ABPI Code of Practice for the Pharmaceutical Industry, the UK Advertising Codes?  
   **Yes/No**

The Royal College of Paediatrics and Child Health is a registered charity in England and Wales (105774) and in Scotland (SC038299)
<table>
<thead>
<tr>
<th></th>
<th><strong>Question</strong></th>
<th><strong>Yes/No</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>To the best of your knowledge, has your company complied with all requirements of all applicable codes and legislation (including, but not limited to, those listed above)?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>5</td>
<td>Have any challenges by relevant authorities been brought against your company for non-compliance with these codes in the last 5 years? If so, what was the outcome?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>6</td>
<td>In the last 5 years, has your company been found guilty as the result of a criminal investigation? If so, provide details and information on how this was resolved, if available.</td>
<td>Yes/No</td>
</tr>
<tr>
<td>7</td>
<td>In the last 5 years, has your company either lost a civil legal action, or settled such an action out of court, for a sum of £500k or more?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>8</td>
<td>Is your organisation or any subsidiary involved in the development or distribution of any of the following: arms, tobacco, alcohol or gambling?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>9</td>
<td>Within the last 5 years, have any of your Directors, Trustees or members of your senior management team been disqualified from acting as a director or equivalent under the Companies Act 2006 or equivalent legislation in other jurisdictions, or been convicted of any serious criminal offence while in post?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>10</td>
<td>In the past 5 years, has your company been the subject of an investigation by the Equality and Human Rights Commission or its equivalent in other jurisdictions?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>11</td>
<td>Does your company have an equality and diversity policy that ensures compliance with equalities legislation?</td>
<td>Yes/No</td>
</tr>
<tr>
<td>12. Does your company have a safeguarding policy and procedure compliant with DBS best practice guidance or equivalent and takes into account the safeguarding of Children and Young People when working with them at any level? (If you do not work with children and young people then please say N/A)</td>
<td>Yes/No</td>
<td></td>
</tr>
</tbody>
</table>

Please attach additional documents as required on subsequent pages.

Name:

Job title:

Date:

*This form need only be completed for the first time we consider funding from your company. However, you are required to inform us of any material change in the circumstances outlined above.*