



Warwickshire Pride

Registered Charity Number: 1162449

Due Diligence Policy

This policy has been partly adapted from the UK Government's due diligence policy for charities. A full copy of that policy can be found at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/677252/Chapter2new.pdf.

This policy also takes guidance from the Charity Excellence Framework, which can be found at https://www.charityexcellence.co.uk/Home/BlogDetail?Link=Risk_Managemnt_Due_Diligence_Fundraising_Contracts_Partners.

What is Due Diligence?

Due diligence is the range of practical steps that need to be taken by trustees in order to be assured of the provenance of charitable funds and confidence that they know the people and organisations that the charity works with, and able to identify and manage associated risks.

Due diligence is an important part of trustee's duties and it is essential in safeguarding charity assets. It means carrying out proper checks on individuals and organisations that give money to, or receive money from, the charity, including partners and others that are contracted to work with it.

A strong due diligence process will ensure that the trustees are conducting their work on behalf of the charity in a way that complies with current laws, legal duties, duty of care, and duty of prudence.

This policy details what trustees must or should do in order to ensure that due diligence has been carried out.

The Policy

'Know your' principles

The 'know your' principles will guide due diligence that is carried out. This means:

- Know you donors
- Know your beneficiaries
- Know you partners

Applying the 'know your' principles will enable trustees to feel assured of the provenance of funds given to the charity and confident that they know the people and organisations they work with, and therefore able to identify and manage any associated risks.

Priorities

One of the priorities for Warwickshire Pride is to ensure that any donors to the charity have the correct LGBT+ credentials. Unfortunately, 'pinkwashing' is common. This is when an organisation donates to or supports a charity to tick a box or to look good, rather than because they genuinely support the objectives of the charity and the communities it works with.

Therefore, one of the first actions taken by trustees should be to investigate an organisation's LGBT+ credentials. This may involve searching for news items about the organisation, asking the organisation directly about its LGBT+ credentials and policies around supporting LGBT+ staff, and any other checks that are deemed necessary.

Examples of due diligence carried out

An example of when a due diligence process has been carried out is when an organisation expressed interest in financially supporting Warwickshire Pride. However, checks showed that the organisation was an unsafe place for LGBT+ people due to multiple negative experiences by LGBT+ people at the organisations' venue. Therefore, the financial support was declined on the basis of possible 'pinkwashing' and not a genuine support of the LGBT+ community.

Despite declining the support, there was an offer made to work with the organisation to help them boost their LGBT+ credentials with a view to revisiting the potential financial support in future. This is something that should always be offered. Simply declining offers of support is unlikely to build positive relationships with organisations, whereas a proactive 'not now, but let's work together and revisit this later' type approach may be more fruitful for all parties and Warwickshire Pride's beneficiaries in the long term.

Another example of due diligence being carried out by trustees is when an organisation offered financial support but there were concerns of sexual harassment in their company. It resulted in online research and a meeting with the organisation to discuss the concerns and have a dialogue about what measures the organisation was putting in place to protect their employees.

While this did not directly involve LGBT+ people, it did fall within ethical considerations. After the due diligence process, the trustees decided they were satisfied with the outcome and that it would be ok to accept the offer of financial support.

Risk factors to consider

- Is the proposal sensitive, complex, important or large scale?
- Is the organisation or individual well known and respected, or might they hold views or undertake work in an area that could be problematic?
- How much potential is there for things to go wrong and what is the worst that could happen?

Due diligence checklist

- If the organisation or individual has a website and social media presence, look at those and assess whether that organisation or individual is aligned with the charity's objectives and values.
- Carry out an internet search on the organisation or individual to see if there is anything of concern. However, do not just look at page one of a search result. There may be other information that is further down the search result that is still sufficiently serious to still be relevant. Additionally, searching for the organisation or individual's name with the word "controversy" included may bring results that could otherwise be missed.
- Speak to someone who has worked with the organisation or individual, or who knows their sector well enough to be able to comment on their suitability. Do this by phone wherever possible as people tend to be more open that way.
- Obtain references if appropriate.

Final Considerations

Honesty is the best policy. If there are any concerns or worries about whether accepting support from an organisation or individual could potentially cause damage to the charity and the beneficiaries of the charity's work, have an open conversation with the organisation or individual. Discuss the potential risk, hear their views, and allow that to form part of the overall due diligence process.

Finally, remember that it is acceptable to decline support once the due diligence process has been completed. While many charities are in need of support from organisations and individuals, accepting support should not be to the detriment of the charity and its beneficiaries.

Last reviewed: January 2026

Next review due: January 2027