

# Kijana Kwanza (Young People First)

## Donation Policy

### Introduction

Kijana Kwanza (Young People First) values the financial and in-kind donations of donors and sponsors to our varied programmes and activities. This policy outlines how we manage and allocate your donations to deliver services for children and young people in Tanzania.

### Overheads

Like all charities and non-profit organisations, we have essential overheads and administrative costs, without which we could not deliver our services.

We recognise that keeping our out of country costs low is important so that we can maximise the impact we have in Tanzania. This is, and remains, our guiding principle. In order to reduce costs, we do not operate a physical office in the UK and our administrative processes are conducted virtually or directly in Tanzania. We do, however, have some essential costs such as paying for booking keeping software and conducting audits, which are a legal requirement for any UK registered charity. Other costs are unavoidable – a large proportion of our donations are received online and are therefore subject to card payment fees. We try to select only those payment platforms that offer best value for money.

We currently employ 2 part-time posts – 1 based in Tanzania and 1 based in the UK.

The Tanzania-based post supports local staff, monitors service delivery and reports on how donations have been spent. We consider this an essential cost in order to fulfil our moral and statutory duty in accounting for how donations are spent. Additionally, most donors appreciate regular updates about our projects or child or young person they have sponsored.

The UK-based post assists with outreach, marketing and fundraising, as well as essential legal and financial functions, which we could not manage from outside the UK.

Generally, no more than 10% of income is spent on overheads in the UK. A portion of this is funded directly by donors who specifically request that their contribution is used to meet these costs in the UK to provide good governance, accountability and longevity for the project.

### Restricted Funds

Donations received by the organisation may be either restricted to a specific purpose or appeal or unrestricted, which allows us to use such funds where they are most needed.

Donors who would like their donation restricted to a specific purpose may select the relevant appeal on our online donation link or add a reference to a payment via bank transfer. Alternatively, you may contact a member of staff or email [admin@kijana-kwanza.org](mailto:admin@kijana-kwanza.org) with your requirements. In practice some appeals are better funded than others – even though the cause may be just as important. We therefore encourage donors to consider making unrestricted donations so that we

can apply funds where needed, in particular during emergencies or crises, where an activity is time sensitive.

We use our restricted funds on a full-cost recovery basis, which means that we take into account all the costs for running an activity or service. For example, donations towards our budget for feeding children and young people will be used to purchase ingredients, transport to and from the market, firewood or gas to prepare the meal, employ a cook to prepare the meal and pay for soap and cleaning supplies to wash utensils and maintain a hygienic kitchen. Without one or more of these components, we could not provide a reliable service.

## **Child & Student Sponsorship**

We regularly appeal for donors to sponsor children and young people through education or vocational training. The cost of meeting all their welfare and support needs regularly exceeds the amount donated by sponsors. We therefore supplement budgets with unrestricted funds (or relevant restricted funds) and some children and young people may have more than one sponsor. We reserve the right to allocate more than 1 sponsor per child or young person to meet these additional costs.

We also allocate up to 10% of child and student sponsorship funds to a reserve account to respond to fluctuations in currency and situations where a child is left stranded because a sponsor discontinues their support. All funds in the reserve account remain restricted to child and student sponsorship.

## **Emergency Appeals**

From time to time, we launch emergency appeals to respond to urgent crises in the community affecting vulnerable children and young people. However, the nature of an emergency situation is that details change as circumstances evolve, and the specific request for funds may also change. For example, we may initially require funds to purchase blankets for flood victims, but following in-kind donations, the need changes to repairing flood damaged houses. In such circumstances, we will use the funds raised to further the overall objective of the emergency appeal.

## **Appeal Surpluses**

Inevitably some appeals attract more donations than initially required. Normally, it is possible to increase the outputs to reflect the increase in donations. For example, if the organisation intended to distribute 250 school packs, but additional funds have been raised to fund 275 school packs, we can increase our distribution proportionately and meet a larger need either locally, or in another part of Tanzania. Occasionally, this is not possible, for example when only a specific number of items are required. In these circumstances, any surplus is allocated to a similar activity or project.

## **Zakat Funds**

As part of our services, we provide a collection and distribution service for Muslim donors who are required to contribute a portion of their income to charity or people living in poverty. Our policy on distributing these funds is governed by Islamic principles. Zakat donations are not subject to the full-cost recovery model. The full value of the donation is spent directly on an eligible beneficiary,

with related costs in managing, facilitating and distributing Zakat met through unrestricted or project specific funding.

We reserve the right to use Zakat funds on any eligible project or activity. This is because the principle of Zakat is beneficiary-centric, defined by the beneficiary's need and not contingent on the request of donors.

## **Gift Aid**

As a UK registered charity, Kijana Kwanza can claim Gift Aid on donations made by donors who pay sufficient levels of income or capital gains tax in the UK. This amounts to an additional 25% on the value of the original donation. We encourage eligible UK donors to select Gift Aid on our online payment facility or complete a Gift Aid Form at [www.kijana-kwanza.org/giftaid](http://www.kijana-kwanza.org/giftaid) to enable us to claim these funds.

Our general policy is to utilise Gift Aid to invest in the sustainability of the organisation and as start-up costs for new projects. This includes the purchase of investment property or land that will enable us to either generate a profit in the long-term or prepare for the launch of new projects and activities. Since Gift Aid funds are unrestricted, we reserve the right to use as and where is needed, including meeting deficits on overheads and direct service delivery.

## **Refunds**

The refund of donations is strictly governed by rules and regulations set by the Charity Commission in England and Wales. Generally, charities cannot issue refunds, except in some specific circumstances. We only issue refunds in the following circumstances:

1. Where a project in its entirety and overall objective cannot be satisfied, either directly or indirectly.
2. A donation was made by mistake, such as the input of incorrect bank account details or a misplaced figure.
3. A donation was made using funds that were illegally obtained or subject to regulatory restrictions.
4. There is a risk of reputational damage to the charity due to the origin of the funds or the characteristics of the donor.

## **Book-Keeping & Accounting**

All income and expenditure of the organisation, both in the UK and in Tanzania is recorded according to statutory requirements and independently examined or audited. Book-keeping and accounting in Tanzania are also directly monitored on a monthly basis by UK Trustees.

## **Further Information**

For further queries relating to our Donation Policy, please email [admin@kijana-kwanza.org](mailto:admin@kijana-kwanza.org).

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**Updated: 28 February 2023**  
**Next Review: 28 May 2024**