

# POLICY TEMPLATE

# Fundraising

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| ***Preface:*** This policy template has been developed as a tool to assist signatory organisations to develop policy to meet their obligations relating to the **Principle C.3 and subsections** of the CID Code of Conduct. Signatory organisations should ensure that any policy that is developed reflects its own organisation’s philosophies and principles. The examples contained within this tool are only provided as prompts for signatory organisations to develop a more nuanced policy that best reflects their own approach and practices. It should also be noted that the policy format is provided as an *example* and that this format is not required to meet CID Code of Conduct obligations. Signatory organisations may submit a policy in a format that is most appropriate to their own organisation.  |

 Title of the Policy Document

The title should make clear the intent of the policy.

***Example:***

*[ORGANISATION]* Fundraising Policy

*[ORGANISATION]* Fundraising & Marketing Policy

This policy will be reviewed triennially, and details recorded as below.

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| **Version** | **Date** | **Author/s** | **Approved by** | **Review Date** | **Comments** |
| V1 | July 2018 | First Name, Last Name, Role. | Board & EMT | July 2021 |  |
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Introduction

*If the policy is to be provided as a stand-alone document the introduction may start with a description of the organisation’s mission, vision, purpose and nature of programs. The introduction should make clear that the organisation values ethical fundraising and its commitment to effective measures and processes.*

**Example:**

Visibility and accountability within the NGO ‘marketplace’, along with financial support (via donors, etc.) is vital to the achievement and attainment of outcomes of [ORGANISATION] mission and credibility in the development and humanitarian sector. [ORGANISATION] is committed to ensuring that fundraising activities are carried out in an ethical manner, protecting donor and beneficiary. The focus of this policy is to guide [ORGANISATION] personnel on the control of funds and resources, and to protect the reputation of the organisation, manage potential risks, and impacts on development outcomes.

Purpose

 *It is usual for the governing board of an organisation to adopt a policy by resolution and to make effective implementation of a policy a key performance requirement of its CEO. If this is the case the introduction could also make this clear.*

***Example:***

This policy seeks to guide our organisation on how to maintain ethical fundraising methods that are effective and respectful to both donors and beneficiaries. Donors are participants in the mission of our organisation.

*[ORGANISATION]* acknowledges the importance of maintaining high ethical practices with fundraising methods and distribution so that public trust in the sector deepens. *[ORGANISATION]* chooses to balance the rights and interests of donors, beneficiaries and the charity sector as a way of approaching the best practice of fundraising.

*[ORGANISATION]* reserves the right to decline any gift or sponsorship.

The purpose of this document is to identify [ORGANISATION] position on fundraising and related financial management practises, and to document the standards expected in raising funds from the community. [ORGANISATION] is aware of and will comply with the Fundraising Institute of New Zealand’s (FINZ) Code of Ethics and Professional Conduct and their standards for fundraising.

Guiding Principles

*The guiding principles are the underlying philosophical principles on which the policy is based. This statement expands on the organisation’s commitment to ethical fundraising as required by the code. It is also good in this section to make note of any principles required through registration or membership, such as through FINZ.*

*It may also be worthwhile, but not imperative to consider mention of how cross-cultural contexts and considerations might be covered in this policy.*

**Example:** *(you may wish to ‘pick n’ choose’ from the below list…)*

[ORGANISATION’S] guiding fundraising principle relate to our core mandate – we will only use techniques that we would be happy to be used on ourselves:

1. Fundraising activities carried out by [ORGANISATION] will comply with all relevant laws, and requirements of membership to regulatory bodies, etc.
2. Any communications to the public made in the course of carrying out a fundraising activity shall be truthful and non-deceptive, and all fundraising materials shall make realistic promises.
3. All monies raised via fundraising activities will be for the stated purpose of the appeal and will comply with the organisation’s stated mission and purpose.
4. Nobody directly or indirectly employed by or volunteering for [ORGANISATION] shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
5. In the event that non-development activity is undertaken in conjunction with development activity, this will be clear in all fundraising, programmes and other activities, in public communication and in all reporting including annual reports.
6. Any fundraising solicitations that include references to both aid and development and non-aid and development activities will provide donors with the choice of contributing to aid and development activities only.
7. Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of [ORGANISATION].
8. Financial contributions will only be accepted from companies, organisations and individuals the Board considers ethical.

**Example: *(if you want to put in a list of higher guiding principles – but the definitions under each should be drafted with your own organisation’s mandate or vision in mind)***

*[ORGANISATION]* has adopted the following principles for our fundraising policy. Board members, staff, volunteers, interns and representatives must adhere to the following principles:

Principle 1: **Honesty**
We must demonstrate honesty at all times with our interactions and the promises made to partners, donors, and shareholders alike and ensure our activities align with those promises and our purpose.

Principle 2: **Accountability**
We will ensure that we are transparent about the use of funds and have accountability measures that can prove the direction and effectiveness of funds externally raised. Records should be clear and accessible.

Principle 3: **Empathy**We will remember that fundraising is not solely about the monetary aspect but also about human cost and therefore we will be compassionate, aware of freedom of choice, and have regard for human dignity in our fundraising processes.

Principle 4: **Integrity**

We will be aware of our responsibility under law when dealing with external funding, ensuring to disclose any conflict of interests and behaving in an ethical way as to avoid any personal or professional misconduct.

Principle 5: **Continual improvement**
Continual improvement of the fundraising policy and the quality of services is one of our permanent objectives.

Scope

 *This section will provide scope for the policy. A policy should apply to all the signatory organisation’s Personnel and Associates, and this needs to be articulated broadly.*

**Example:**

This policy is designed to apply to all and any [ORGANISATION] personnel, such as volunteers in New Zealand, international partner staff, sponsors, donors and volunteer visitors to [ORGANISATION] international partners, and [ORGANISATION] New Zealand representatives visiting field locations, both long and short term. The policy also extends to [ORGANISATION] partners and associated implementing organisations.

Roles and Responsibilities

*This section will define the general commitment of the signatory organisation as well as any specific roles dealing with fundraising.*

***Example:***

It is the responsibility of the Manager and the Management Team to ensure that all fundraising activities are consistent with legislative requirements both in New Zealand and relevant countries.

It is the responsibility of the Director of Fundraising to ensure this policy is implemented in all areas of fundraising activity. This includes responsibility for monitoring the adherence to, implementing and monitoring of relevant aspects of this policy and procedure, and providing an annual monitoring report to the Board.

The Board may nominate a person other than the Director to hold this responsibility.

Definitions

*This section will provide definitions relevant to the policy.*

***Example:***

**Beneficiary** means any person or entity which receives a benefit from an organisation in pursuance of the organisation’s objects.

**Donation** means a voluntary contribution by a donor of money, property, goods or services to an organisation for the purpose of furthering that organisation’s objects.

**Donor** means an individual or other entity that makes a contribution of value to an organisation to further the organisation’s objects. A donor includes prospective donors and an individual or entity that has previously made a donation.

**Fundraising Activity** means an activity carried out by a person, company or organisation, whether for remuneration or as a volunteer, for the purpose of raising funds for the objects of an organisation.

**Promotional Material** means any material in connection with a donation, fundraising activity or an organisation whether in printed, electronic or verbal form made available by a fundraiser or organisation to any person.

**Sponsor** means a third party who sponsors a fundraising activity for an agreed outcome.

Donations

*This section will outline the activities that signatory organisations will avoid interaction with when sourcing funds and guidance on accepting and refusing donations.*

***Example:***

Fundraising materials and solicitations will accurately identify our name, address, Charities Act registration number, New Zealand Business Number (if relevant) and purposes.

When deciding to accept or refuse a donation, we will consider when:

1. it is not immediately clear what objects and purposes will be addressed with the proposed donation;
2. large sums of money or property are involved;
3. there is reason to believe that a donation may expose the *[ORGANISATION]* to litigation;
4. there is the threat of negative publicity to *[ORGANISATION]* by the refusal or acceptance of a donation.

***Engaging in disreputable activities***

*[ORGANISATION]* will not engage in funding interactions, strategic partnerships, or co-branded collaborative efforts with business or philanthropic sector entities directly involved in the following:

* Arms and weapons
* Alcohol
* Tobacco
* Gambling
* Adult content (e.g. pornography)

Companies repeatedly found responsible for human and labour rights violations, major environmental abuses, or systematic corruption practices will be also excluded from partnering with *[ORGANISATION].* A risk assessment will be used to determine materiality, gravity, frequency, impact, and corporate response to such controversies.

Donations from political parties will not be accepted. Donations from politicians and civil servants may be accepted, and are subject to the same ethical considerations as donations from other individuals.

***Anonymous Donations***

Anonymous donations will be accepted; however significant anonymous donations (to the value of $ 50,000 or more) may be subject to a risk assessment.

***Conflicts of Interests***

Conflicts of interest that may negatively impact the donor–organisation relationship. The donor will immediately disclose to *[ORGANISATION]* an actual or apparent conflict of interest.

***Excess Funding***

*[ORGANISATION]* is aware that an excess of funding may be donated. We will maintain financial records that enable substantiation of application of donor funds and will provide this on request. Should the funds raised exceed the amount required to meet the immediate and longer term needs of the people in the affected areas, or if there are changes in circumstances beyond *[ORGANISATION’S]* control, which limit its ability to utilise all funds in the affected areas, we will direct donations to our [*Emergency Fund*] to enable us to rapidly address future emergencies as they occur.

Risk Awareness

*This section will outline the risks that signatory organisations need to consider and weigh up when receiving donations of a considerable sum.*

***Example:***

When considering donations of a considerable sum, *[ORGANISATION]* shall always consider areas of potential risk as part of due diligence, which may include:

1. **Undermining our integrity or mission:** Integrity risks can stem from accepting donations from corporate sponsors and partners that do not align with our standards and purpose.
2. **Negative impact on our reputation:** Accepting donations from donors with questionable or negative track records may cause damage to our reputation by simple association.
3. **Conflicts of interest:** Conflicts of interest can occur when corporate business interests outweigh the common interest of the programs that the donation is intended for, therefore compromising that program.
4. **Loss of autonomy and neutrality:** This is a challenge if there are strings attached to the donation. This requires *[ORGANISATION]* to seek upfront the donor’s acceptance of our positioning and independence.
5. **White washing:** White washing may occur if a donor communicates about its engagement with *[ORGANISATION]* by presenting biased data or partial information with the intention of masking bad business practices or improving its own reputation without action to substantiate it.
6. **Financial risks:** The materialization of a reputational risk may have repercussions for *[ORGANISATION]*’s ability to leverage key resources for our programs, such as pledge donors, as the loss of public credibility may affect the propensity of people to donate.

In the case of emergency donations, there is scope for a fast-tracked process for due diligence. This is the responsibility of the Director of Finance alongside the Management Team to decide when this measure is appropriate.

 Donors

*This section will outline the rights of the donor and what steps should be taken to ensure that donors are protected.*

***Examples:***

***Informing the Donor***

Where a donor so requests, they have the right to be informed of:

1. the objects of *[ORGANISATION]* for whom the fundraiser represents;
2. the intended use of a donation;
3. the capacity of *[ORGANISATION]* to use a donation for its intended use;
4. whether the fundraiser is engaged either as a volunteer, employee or contractor of *[ORGANISATION]*;
5. the means to access *[ORGANISATION]* most recent annual report;
6. how to apply to see their records held by an organisation and challenge its accuracy;
7. how to lodge a complaint under the CID Code Complaints Process;
8. whether *[ORGANISATION]* will consider its objects and capacity to use a donation.

*[ORGANISATION]* will ensure that a donor receives a prompt answer verbally or by the use of promotional material to questions regarding information listed above.

***Respecting Donors***

*[ORGANISATION]* will ensure that:

1. a donor is not subjected to undue influence, harassment, intimidation or coercion when approached by a fundraiser for a donation;
2. a donor is advised to seek independent advice where a fundraiser has reason to believe that a donation may affect the donor’s financial position, taxable income, or relationship with family members.
3. a donor has given prior approval before any recognition of their donation is made public.

*[ORGANISATION]* will comply with a donor’s request to:

1. refuse to make a donation;
2. limit to a certain amount, the frequency of solicitations by the fundraiser to the donor;
3. not be solicited by mail, phone or other technology;
4. not receive printed material concerning *[ORGANISATION]*.

*[ORGANISATION] will respect donor privacy:*

1. all donor information will be managed in accordance with the 1993 NZ Privacy Act,
2. All information concerning donors or prospective donors, including their names, addresses and telephone numbers, the names of their beneficiaries, the amount of their gift, etc., shall be kept strictly confidential by [ORGANISATION], its staff and volunteers, unless permission is obtained from donors to release such information.

*[ORGANISATION] will acknowledging donors****:***

Staff will record, receipt and acknowledge all donations and grants and meet all reporting requirements associated with grants and donations. Acknowledgment of grants and donations will be prompt and appropriate. Staff will provide a donor with written receipt of their donation in accordance with the Income Tax Act 2007.

 Beneficiaries

*This section will outline the manner in which the signatory organisation will respect and protect the beneficiaries of donations.*

***Example:***

***Privacy***

Fundraisers must not threaten the dignity and privacy of a beneficiary of our donations. For the purposes of this section, a threat to the dignity and privacy of a beneficiary includes, but is not limited to:

1. a fundraiser passing a comment unnecessarily or negatively on the impairment, dependency or disability of a beneficiary;
2. a fundraiser using language which suggests that the organisation is to be pitied or feared;
3. a fundraiser using children on promotional materials to raise funds for adult services, giving the impression that the beneficiaries are childlike;
4. a fundraiser stating or implying a falsehood regarding a beneficiary;
5. a fundraiser depicting a beneficiary’s image or identity in promotional materials without that beneficiary’s written permission.

 Marketing and Disclosure

*This section will outline the guidelines and practices that the signatory organisation will adhere to when promoting their fundraising activities or campaigns and disclosing to the public use of funds.*

***Example:***

***Marketing***

*[ORGANISATION]* acknowledges that marketing is executed on public platforms that have a wide reach and engagement, which therefore makes best practice in fundraising methods a significant goal. Marketing can take form in a variety of ways, including online, by email correspondence, direct mail by post, telephone calls, street appeals, billboards, and more. In all our marketing outputs related to the collection and distribution of funds, we will strive to:

* Portray people, places and situations in a truthful light, not exaggerating in order to coerce funds but presenting a real picture;
* Avoid including gifts or special offers in direct mail that is aimed at generating a donation from ‘financial guilt’;
* Respect and end any form of solicitation of funds if requested to do so;
* Not target, nor allow suppliers to target vulnerable individuals or communities for donations or pledges of donations.

***Disclosure***

*[ORGANISATION]* acknowledges that fundraising involves administrative costs, and will disclose to the public the administration costs incurred during fundraising. When financial ratios are used in public material, the administration costs will be reflected with notes explaining the process of how they were determined.

 Third Parties

*This section only applies to signatory organisations that outsource fundraising activities to third parties.*

***Example:***

When outsourcing fundraising activities to a third party, *[ORGANISATION]* will have signed written contracts with the third parties that meet legislative and regulatory requirements. These contracts will specify expectations, responsibilities and obligations of each party. Any form of fundraising undertaken by the third party will clearly identify *[ORGANISATION]* as the beneficiary of the funds.

 Complaints

*This section will outline the direction the public or staff may take if they are of the belief there has been a breach of this policy. The signatory organisation should have an appropriate Complaints Handling Policy to refer to.*

***Example:***

If there is reason to believe that *[ORGANISATION]* has breached any section of this policy in relation to our fundraising practices, a complaint may be laid to *[ORGANISATION]* under our Complaints Handling Policy.

 Resources

*[ORGANISATION]* Complaints Handling Policy

*[ORGANISATION]* Marketing Policy

*[ORGANISATION]* Media & Communications Policy

*[ORGANISATION]* Resource Management Policy

FINZ: [Code of Ethics and Professional Conduct](http://finz.org.nz/uploads/sites/finz/files/Codes%20of%20Practice/FINZ%20Code%20of%20Ethics%20and%20Professional%20Conduct.pdf)