

Policies and procedures for fundraising

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1. Introduction

Charitable Funds consist of:

- Money donated to the Trust in appreciation
- Money left in a legacy for the benefit of the Trust (or a certain part of the Trust)
- Money which has been raised through fundraising events
- Money which has been donated as a result of a fundraising appeal

Charitable Funds have to be accounted for in a different way from other mainstream funding and are subject to a different set of rules and guidance.

The control and management of these Charitable Funds is the responsibility of the Trustees, who are the Trust Board of The Whittington Hospital and delegated to the audit committee, through to fund managers, fundraising and accounts teams. There will be a major appeal committee that which meets quarterly when an appeal is running.

2. Policy statement

The Board welcome the contribution that the Whittington Hospital Charitable Funds make to the delivery of services and the welfare of patients, and recognise and value the work of individuals and groups that participate in approved fundraising events and those who donate money to the Funds. The Trustees will ensure that the highest standards are in place for the protection of these Funds.

3. Fundraising by staff

Participation in fundraising activities by staff is voluntary and should not be imposed on individuals. The existing Trust insurance arrangement covers staff for certain 'low risk' fundraising activities. Any event not covered by this policy must obtain its own insurance cover and be approved by the fundraising office with appropriate fund managers. The legal department will advise on obtaining cover insurance.

4. General policies regarding use of gifts

Donations are to be in the best interests of The Whittington Hospital Charitable Funds.

Donations must meet any legal requirements stated by the Charity Commission and the Institute of Fundraising (see appendices 3 & 4)

The intentions of the donor must be met as far as possible.

The donor is entitled to accountability and appreciation for his/her donation to the Charitable Funds.

All gifts should be processed through the donor database in the fundraising office in order to assure that the above requirements are met.

Gifts can be classified in two general categories – unrestricted and restricted and in various sub-categories (according to funds).

Unrestricted gifts are made in general support of the work of the Charitable Funds with no other stipulations on the part of the donor. This form of support is to be encouraged at all times.

Restricted gifts bear stipulations by the donor. In some cases, restrictions may be set by the Charitable Funds, as in the case of unrestricted bequests being placed in endowment. Restricted gifts are directed to specific funds in order to fulfil the intent of the donor.

The wording of any appeal or solicitation states the purpose of the gift requested.

5. Acceptable fundraising activities

The proposed activity whether undertaken by staff or an outside body or charity should not attract adverse publicity for the Trust. Fundraising activities that meet with public disapproval can damage the reputation of the Trust. Those events that have an added health benefit for participants are positively encouraged.

All fundraising by means of lotteries, e.g. raffles, etc. must comply with the required licensing arrangements (See Appendix 1).

All fundraising publicity must state quite clearly who will benefit from the fundraising scheme, or which item of equipment will be purchased.

6. External charities and fundraising

Only charities approved by the fundraising office (with appropriate fund managers) will be allowed to fundraise on any Trust site. External charities will be required to complete all necessary documentation and adhere to guidelines laid down by the Whittington Hospital Charitable Funds fundraising office.

Any charity raising funds on Trust premises will be asked to clarify what (if any) merchandise they will be selling. Any charity including goods or wares deemed inappropriate by the fundraising office or by the committee may result in the external charity's application being refused.

External charities will be required to complete and forward to the fundraising office a Fundraising and Returns Form (see appendix 2) in which they will declare sums raised during collections on Trust sites.

If any Trust staff wishes to fundraise on any of the Trust sites again, they should inform the fundraising office. A response to the enquiry will be given as soon as possible.

The Head of Communications needs to approve all literature regarding fundraising events, including events held by external charities on the Trust site.

7. Friends of the Whittington and donations

From time to time, The Friends of the Whittington choose to donate funds to specific areas of the hospital. Departments/wards benefitting from such donations will inform the fundraising office and the Head of Communications.

8. Guidelines for policy implementation

To maximise the effectiveness and efficiency of the services provided by the fundraising office, guidelines that govern fundraising for the benefit of The Whittington Hospital are defined here. The policy establishes the fact that the co-ordination and direction of all gift solicitation is the responsibility of the fundraising office.

This policy works in conjunction with the *Whittington Hospital Fund Management Handbook* which describes the Fund income and expenditure processes in more detail.

a) Appeals for funds and approaches to donors

It shall be the responsibility of the fundraising office to solicit funds from individuals, foundations, businesses, corporations and organisations in order to avoid an excessive number of solicitations in the name of The Whittington Hospital Charitable Funds.

b) Gift processing

It shall be the responsibility of the fundraising office to record and acknowledge receipt of all gifts, including cash, pledges, gifts-in-kind and legacies. The fundraising office will work closely with charitable funds accounting team to ensure all donations are passed down, recorded and acknowledged, i.e. credit card and standing order payments. All gifts and donations should be processed through the fundraising office. Donor anonymity will be protected whenever specified by the donor.

- When donations are received at the cash office, a completed receipt of donations form must accompany them. A receipt will be issued to the member of staff who pays it in
- On a daily basis, after banking, the cashier should ensure that the letters/forms and the end of day transactions listing are sent to the charitable funds accounting team
- The charitable funds accounting team is responsible for allocating the donation to the appropriate fund as described on the form by the fundraising office
- All bank statements should be checked on a weekly basis to ensure amounts deposited in the bank agree to receipts. The charitable funds accounting team and the fundraising manager will meet twice-yearly to reconcile the accounting records and identify any errors/omissions.

c) Gift acceptance

All gifts (appeal and non-appeal donations) must be conveyed to the fundraising office at the earliest possible opportunity accompanied by all original correspondence pertaining to the gift, which will be filed in the fundraising office.

A 'Receipt of Donation' sheet will be filled out by a member of the fundraising team and the following information must be included on the sheet:

- The donor's name and complete address must be provided. If the gift is from other than an individual i.e. corporation, organisation, charitable trust, etc. a contact name and job title should be reported in addition to that of the company.
- Date of gift received
- Fund name/code to which gift is to be credited.
- Other special instructions

Cheques should be made out to:

"The Whittington Hospital Charitable Funds"

Copies of this sheet will be handed to the cash office along with the donation so that the donation can be banked with the charitable funds accounting team.

d) Gift recording and acknowledgement

- Upon receipt of a donation and/or any related documents, the fundraising office will record the donation and send acknowledgement and receipt to donor.
- Donations will be recorded by the use of fund codes on the donor database.
- All donors will receive a thank you letter as soon as possible and gifts of more than £500 will be acknowledged in appropriate fundraising appeal literature.
- Staff involved in securing of a donation may also express written gratitude to the donor and forward a copy of the letter to the fundraising office.
- Any donations that the charitable funds accounting team are aware of needs to be passed onto the fundraising office on a weekly basis to acknowledge the donations if they have not been acknowledged.

e) Processing of expenditure

All requests for expenditure by directorates must be accompanied by an expenditure approval form authorised by two Fund signatories and relevant pro-forma invoices or quotes.

When the forms are received by the charitable funds accounting team, forms must be checked that the request to spend is in line with the charitable objects of the fund; that the fund's balance is sufficient to cover the payment; all signatures are from authorised signatories; and whether or not the expenditure qualifies for VAT exemption.

Once the checking is completed satisfactorily, the expenditure will be made via the hospital's procurement system. All purchases of medical equipment, furniture, computers or printers must be placed via the Trust's procurement department. This is necessary to get the best price and to ensure that the equipment is fit for purpose and is installed and maintained properly.

There may be instances of items bought/hired for fundraising purposes which will not go through the procurement department and will be independently purchased from external suppliers. The charitable funds accounts team will meet with the fundraising team to agree ordering and payment arrangements for any fundraising events planned requiring purchases on this basis.

f) Charity brand and fundraising literature

The use of the charity brand (logo, charity name and charity number) will be agreed through the fundraising office. Any literature including brochures used to attract support shall be co-ordinated through the fundraising office and relevant departments so that the most accurate information appropriate to a particular fundraising effort is reflected. The head of communications will have the final decision on the use of the charity brand on any literature.

Accordingly, the fundraising office shall ensure all literature is kept updated. The office will be responsible for establishing and maintaining a master calendar that incorporate the schedules of all fundraising mailings, events and solicitations.

g) Reports to donors

It shall be the responsibility of the fundraising office to compile official reports on appeal donations/grants if requested by outside agencies or individual donors.

The charitable funds accounting team will send a summary of balances held within directorates to the fund holders, Chief Executive and to the Director of Finance on a monthly basis.

h) Maintenance of prospect files

It shall be the responsibility of the fundraising office staff to establish and maintain prospect and resource files for the purpose of providing timely and relevant information about prospective individual donors.

i) Volunteers

Whenever volunteers are to be involved in fundraising efforts, the fundraising office will assist in the selection and recruitment of the volunteers by working with the Trust volunteers office and to provide volunteers extra training and information required for the fundraising activity.

j) Solicitation of charitable trusts and corporates

It shall be the responsibility of the fundraising office to co-ordinate the development and solicitation of charitable trusts and companies. This co-ordination will ensure that an excessive solicitation of any single source of funds is avoided.

k) Public statement regarding gifts

It shall be the responsibility of the fundraising office to initiate the preparation of all public statements concerning gifts to The Whittington Hospital Charitable Funds.

l) Gift opportunities

The fundraising office shall seek and encourage gifts from individuals, organisations, businesses and grants from charitable trusts. It is the policy of the fundraising office to offer diverse gift opportunities to all constituents for:

- recurring annual support
- specific capital support
- endowment supported by cash or other means of support

m) Endowment funds

Donors' objectives can be realised in the form of regular payments to specific endowment funds or by putting in place a legacy pledge, which will ensure long-term support, long after their death. Please see item r) for further information regarding the control of legacies.

n) Types of gifts

Individuals and organisations may have several options to fulfil gift/grant commitments. The various gift types are:

- Gifts-in-kind
- Restricted gifts
- Major gifts
- Matching gift

o) Gift use

Many options are available for donors to consider providing the greatest service and impact to the Funds. As far as possible, gifts to the General Purpose Fund of the Whittington Hospital Charitable Funds will be encouraged.

As appropriate, the terms of any restricted or endowed funds should include language which permits the trustees to assign alternatives, modified but related use of such funds as conditions dictate in the future.

The fundraising office will contact funders should there be a change in way a gift will be used. In cases where the funder does not want the donation to be used in any other way, we will refund the donation.

p) Donor intent

- Allocation of gifts: All gifts, grants or other resources will be allocated in the first place according to the donor's wishes and/or presumed intent, next determined by the Trust Board.
- Acceptable gifts: Gifts of cash, property and other resources given in a philanthropic way
- Unacceptable gifts:
 - i. Restrict use based upon age, race, colour, sexuality or sex.
 - ii. Gifts associated with unsuitable products, corporate and individuals e.g. arms dealings and tobacco
 - iii. Personal gifts to Trust staff members should be discouraged at all times

q) Donor recognition

The fundraising office will determine appropriate recognition for donors. Examples are:

- Placing the donor's name on a building
- Placing a plaque on a ward, etc.

Donors' names may be published in the Charitable Funds Annual Report and in The Link newsletter. It will be at the Committee's discretion to inform the donor should there be a cost implication to their recognition, e.g. cost of plaque, etc.

r) Gifts in memoriam

Gifts to honour, in remembrance or otherwise recognise individuals, whether the donor is living or by bequest, will be received by the fundraising office. It will be the policy of the Trust not only to receive such gifts but also encourage efforts to remember and honour donors.

s) Legacies

- The fundraising office deals with all contracts regarding legacies. If department managers are contacted by potential legators, they should encourage continued discussion with the fundraising office.
- The fundraising office will notify the charitable funds accounting team of the potential legacy and the legal department should there be requirements around the Will/bequest.
- When the legacy money is received, this will be processed through the fundraising office. The fundraising manager will deal with all administrative arrangements including correspondence with the solicitors or family to acknowledge receipt of the monies. The fundraising manager will also be responsible for confirming whether any publication of the bequest is appropriate.
- All new legacies will be communicated to the Trust Board.
- All legacies will be subject to the submission of an expenditure plan, prepared by the relevant fund manager for specific ward/department or by CEO/directors for non-specific funds, to ensure that the terms of the bequest can be met within a reasonable time.
- The fundraising office will encourage legacies to the General Purpose Fund but will adhere to the strict wishes of the donor at all times.

t) Pledges

Donors may be allowed to make pledge commitments to be paid over a specific period of time or when it is appropriate for items to be bought upon receipt.

u) Donor research

Research on donors and prospects is an acceptable and intrinsic part of fundraising. Data surrounding individuals and companies who wish to be associated with Charitable Funds will be stored in a confidential file within the fundraising office.

v) Stewardship

The fundraising manager is responsible for providing regular updates to donors as to how their gifts are being used.

w) Database of donors

The fundraising office shall seek from departments, details of donors which may be used to solicit support. It must be stressed that any approaches undertaken by the fundraising office will be handled in a sensitive and appropriate manner.

Appendix 1:

Lotteries

Charities may run lotteries in order to raise funds for their charitable purposes as defined in section 3 and 5 of the Lotteries and Amusements Act 1976.

There are two main types of lotteries of interest to charities both regulated by the Lotteries and Amusements Act 1976 as amended by the National Lottery etc Act 1993:

- Small lotteries;
- Private lotteries
- Society lotteries

Small Lotteries

Small lotteries do not need to be registered but they have to be incidental to an exempt entertainment. Exempt entertainments are defined by the 1976 Act and include fetes, bazaars and dinner dances. Certain conditions have to be met which include no cash prizes, the sale and issue of tickets and announcement of the results must be carried out during the entertainment and on the premises where it is held. No more than £250 can be spent on buying prizes.

Private Lotteries

Charities can run private lotteries, where participation is limited to their members. Again, such lotteries do not need to be registered as they are not open to the general public. All the proceeds must be either spent on prizes or the activities of the charity.

Society Lotteries

Where a charity is promoting the sale of lottery tickets which will exceed £20,000 in value (or if taken together with sales from previous lotteries in the same year will exceed £250,000) it will be necessary to register with the Gaming Board. Charities conducting lotteries below these thresholds are required to register with the Local Authority.

Charitable Funds is registered with Islington Council to the Gambling Act 2005 Licence. This will be renewed every year by the fundraising office.

Appendix 2:

Permission and returns form for external fundraising charities

Name of external charity:
Address:
Tel. no.:
Charity reg. number:
Name of Whittington contact and job title:
Date(s) of fundraising collection on Whittington Hospital sites:
Fundraising appeal/collection details:
Describe any merchandise you will be selling – please include price list:

Total amount raised: £
Please return form to Fundraising Office, Jenner Building, The Whittington Hospital, Magdala Avenue, N19 5NF.

Appendix 3

Charity Commission guidance – some areas relevant to charitable funds

Reporting Requirements

Charities have a duty to be transparent and accountable to donors, beneficiaries and the public. Registered charities are required by law to provide certain documents to the Commission and to keep their information on the public Register up to date.

Annual Returns and accounts

Trustees of charities with income exceeding £10,000 in their last financial year are required to complete and submit an Annual Return and a copy of the trustees' annual report and accounts. This must be done within 10 months of the end of the charity's financial year.

Annual Updates

Charities with an annual income of £10,000 or less do not have to submit an Annual Return or a copy of their trustees' annual report and accounts but are required to keep their Register details up to date. To ensure that Register details are up to date and to confirm that they are still operating, we ask smaller charities to submit our Annual Update form.

What happens to charities failing to file on time?

Charities have 10 months from the end of their financial year to file their documents and we offer advice and guidance to help them to meet this deadline.

As part of a charity's entry on the Register we will indicate whether latest due documents have been received or are overdue.

The Commission has a statutory duty to maintain an accurate Register of Charities and to remove any charities that have ceased to operate or exist.

Charities failing to provide evidence of their activity and existence by submitting accounts, Annual Returns or Annual Updates will be sent a series of reminders. If the Commission has not received overdue documents, charities may be removed from the Register.

For more information visit <http://www.charity-commission.gov.uk/investigations/default.asp>

Charities and Risk Management July 2007

Introduction

Trustees, staff and charity volunteers handle risk as an everyday part of any charity's work. Risk is often seen as going hand in hand with the rewards and opportunities of advancing a charity's work. For example, the opportunity to raise funds brings volunteers, staff and trustees together to advance a charity's fundraising objectives. Fundraising can even raise public awareness of the charity's work.

Take two examples, a garden fete and a charity concert. The organisers of the garden fete may be setting out stalls and fun activities for children in a large private garden to raise funds for the village hall. Expecting a good turnout of up to 200 people over the day, the organisers need to reflect on how to ensure that admissions are handled properly; cash takings are kept safe, that the stalls are sturdy and the children's play activities are safe and appropriately supervised by vetted volunteers. Being an English summer's day they may consider the weather and have a tented area just in case it rains and a back up plan to use the village hall, rather than take out insurance against adverse weather. In thinking through and planning the event, the trustees are taking account of risk in very practical pragmatic way. This is exactly what risk management is about.

The organisers of the charity concert may approach these problems differently; like the fete the safety of the public, control of admissions and safeguarding of cash is important. However, they may be hiring an outdoor venue, hiring seating, incurring costs in setting up a parking area and refreshments, and paying artists' performance fees. The fete was comparatively small with 200 people attending over the whole day but the concert may have 600 seats for a set 3 hour early evening performance. The risk from adverse weather is viewed as so great that the extra cost of insurance is considered worthwhile and to enable all to go well, the trustees hire an events organiser to co-ordinate and marshal the staff and volunteers. Again, a practical approach to risk. Note that even though facing similar risks, the scale and nature of the fundraising events can cause trustees to take a different approach to risk management.

This guidance seeks to take trustees and staff through the subject of risk and identifies the requirements for disclosing the approach taken to risk, discusses the types of risk faced, identifies the need for a risk policy and provides a practical framework for identifying, managing and reporting on risk. Risk is an everyday part of what charities do and managing it effectively is essential if the key objectives set by trustees are to be achieved.

Under Accounting and Reporting by Charities - Statement of Recommended Practice (SORP) trustees are required to make a statement confirming that: "The major risks to which the charity is exposed, as identified by the trustees, have been reviewed and systems have been established to manage those risks."

This requirement has raised questions as to the steps trustees should take to enable a positive statement to be made with reasonable confidence in the Annual Report. The SORP firmly places the reporting of risk management on the agenda of all auditable charities. "Risk" is used in this guidance to describe the uncertainty surrounding events and their outcomes that may have a significant effect, either enhancing or inhibiting:

- operational performance;
- achievement of aims and objectives;
- or meeting expectations of stakeholders

"Major risks" are those risks which have a high likelihood of occurring and would, if they occurred, have a severe impact on operational performance, achievement of aims and objectives or could damage the reputation of the charity, changing the way trustees, supporters or beneficiaries might deal with the charity. Risk management should therefore not be seen purely as a compliance issue nor as being solely focused on the prevention of disaster. The process enables trustees to focus on the management of risks that would prevent the charity achieving its strategic objectives. In so doing, charities are able to take opportunities and develop with an understanding of the risks faced, and with confidence that reasonable steps have been taken to manage them.

The identification of risk arising from activities undertaken and the management of those risks are not new concepts to most trustees. Indeed, for most charities the identification, evaluation and management of risk has been incorporated into their management processes for many years. For some charities the consideration of the risks inherent in activities will be an element of planning and decision making but perhaps the process lacks a structure or methodology.

Most charities are already likely to consider risk in the context of their day-to-day activities. The requirement to include a risk management statement in the Annual Report means that charities need to consider risk and its management in a more structured way if a positive statement is to be made in the Annual Report. No matter what size they are, charities should take a systematic approach to the consideration and management of risk.

Purpose and scope of this guidance

This guidance is designed to help trustees set a framework which allows them to:

- identify the major risks that apply to their charity;
- make decisions about how to respond to the risks they face;
- make an appropriate statement regarding risk management in the Annual Report.

The risks that a charity faces depend very much on the size, nature and complexity of the activities undertaken and on the finances of the charity itself. As a general rule, the larger and more complex or diverse a charity's activities, the more difficult it will be to identify the major risks faced and put appropriate systems in place to manage them. The risk management process will therefore always need to be tailored to fit the circumstances of each individual charity. Each charity should, however, focus on the major risks identified. This guidance sets out basic principles and strategies that can be applied to most charities. Trustees of large, complex charities may need to explore risk more fully than the outline given here.

For more information visit <http://www.charity-commission.gov.uk/investigations/charrisk.asp>

Reporting Serious Incidents (June 2008)

Good practice has always been that trustees should inform the Commission if any serious incident has arisen within their charity that could significantly harm the charity's property, work, beneficiaries or reputation.

Charity trustees should report serious incidents to the Commission as soon as they are aware of them. Trustees can report serious incidents to the Commission in one of the following ways:

- by contacting Charity Commission Direct in writing at PO Box 1227, Liverpool, L69 3UG;
- by calling 0845 300 0218;
- or by email to RSI@charitycommission.gsi.gov.uk

Trustees of charities with an income over £25,000 must, as part of the charity's Annual return, declare that there are no serious incidents or other matters which they should have brought to our attention but have not. Failure to provide this confirmation would be a breach of legal requirements.

We have revised our guidance for trustees on reporting serious incidents. This explains our approach to issues of serious concern and clarifies what we consider to be serious or significant. It contains important updated guidance for trustees on when and how to report serious incidents within their charity and the legal requirements placed upon them.

When charity trustees report a serious incident to the Commission they should provide as much information as possible to help us decide what, if any, action is appropriate. It is helpful for us to know:

- whether an incident has actually happened, or whether there have been allegations/ suspicions that it has happened;
- when the incident happened;
- who was involved, their position in the charity and whether they are still involved with the charity;
- the impact that the incident has had on the charity and/ or its beneficiaries;
- whether there has been any publicity as a result of the incident;
- what action the trustees have taken and the outcome of any inquiry they have conducted into the incident;
- whether another regulator, law enforcement or government agency is involved;
- or whether there are any statutory provisions governing the incident.

We cannot definitively state what our response will be to any given issue because this will depend on the particular circumstances of the incident, the charity and the trustees' ability to resolve it without our intervention. We would stress that generally we try to work with the consent of trustees to resolve serious concerns. Our main aim is always to safeguard the charity and public trust and confidence in the sector.

The reporting of serious incidents does not replace any of the existing means by which people can report concerns about charities to the Charity Commission which should be sent to Charity Commission Direct.

Appendix 4

The Institute of Fundraising Codes – relevant to charitable funds

Guidance on the law and best practice in all activities around fundraising. For more information, visit <http://www.institute-of-fundraising.org.uk/bestpractice/thecodes/>

About the Codes of Fundraising Practice

Accountability and transparency is key to fundraising

The Institute of Fundraising has developed the Codes of Fundraising Practice to provide a guide to the law and best practice in relation to fundraising activity throughout the United Kingdom.

The Codes cover a wide range of activities. Existing Codes are updated on a regular basis and new Codes are developed where a need for them has been identified. The Codes are also available in Welsh.

Trust is the pivot upon which fundraising turns and provides the basis for giving. In order to maintain this trust, it is vital that charities are accountable and transparent.

Legal Requirements of Fundraising

Best practice relating to the legal requirements of fundraising

For many charities fundraising is the main contact with the donor so it is important to follow this guidance to enable the most effective and efficient fundraising practice that complies with legal requirements.

Data Protection

Compliance with UK and EU legislation

This Code aims to draw attention to those areas of the Data Protection Act 1998 and Privacy and Electronic Communications (EC Directive) Regulations 2003 that apply to fundraising activities.

Fundraisers should therefore consider all advice given in this Code to be mandatory requirements of law, unless 'ought' or 'should' are used.

The Information Commission provides further information on data protection issues. The Commission's helpline number is 01625 545745 or see the Information Commission web site.

The Data Protection Act 1998 received royal assent in July 1998 and came into force on March 01 2000, nearly eighteen months behind schedule.

This delay was necessary to allow the UK to draft the subordinate legislation needed to comply with the Data Protection Directive. As European Law, the new Act supersedes that of 1984.

Fundraisers might find the following rules of thumb useful:

Do not retain any information on a donor or a prospect that your organisation would not be comfortable sharing with that donor or prospect

Do not use information in a manner that a donor would not wish

Do not share data in a manner that a donor would not wish.

Donors and Supporters

Best practice for building relationships with your donors and supporters

Large donations are essential to the continuing work of many charities, but it is vital that these are obtained in a transparent and ethical manner.

Major donor and legacy donations are often the largest single donations that charities receive so it is important to follow the Codes of best practice to ensure the maximum benefit is achieved.

These Codes also provide best practice guidance and legal requirements on the acceptance and refusal of donations in a variety of situations.

Acceptance or Refusal of Donations

Relevant legal principles mitigated by practical and ethical factors

The purpose of this Code is to allow trustees and the fundraisers who support them to make clear and consistent decisions regarding the acceptance or refusal of donations.

Irrespective of any internal delegation procedures within the charity, it must be noted that the ultimate responsibility in respect of the acceptance or refusal of all donations rests with the trustees of the charity.

There is no single specific statute to guide trustees in law on this matter. However, there are relevant legal principles that trustees and their advisers must ensure are met when deciding whether or not to accept donations.

The law requires trustees, in deciding whether to accept or refuse a particular donation, to consider which course will, taking an overall view, be in the charity's best interests.

The law allows practical and ethical factors to be taken into account as long as they are ones that are likely to affect the specific interests of the charity.

These notes therefore seek to provide some general guidance on decision-making in each of these circumstances.

Best Practice for Major Donor Fundraising

Guidance on important factors relating to major donors

Major donor fundraising is about people and relationships. It involves the entire organisation from the chief executive officer to the administrative assistant working in a team to secure the gift.

It also involves the family, friends and associates of the major donor affecting the timing, size, regularity, purpose and method of the gift and requires the fundraiser to be resourceful and responsive.

Major donor fundraising is usually not an isolated process but a team effort, which yields a mutually beneficial outcome for all, yet it is very rarely done in an overt way. There are no broad-brush techniques and it can often be difficult to define the next step.

Major donations aren't always planned. Nor are they always made for philanthropic or altruistic reasons, but, whatever the circumstances, the major donor should take pleasure in making the gift and the fundraiser or organisation be pleased to receive it.

This Code has been written to provide guidance on best practice in raising funds from major donors. This Code does not delve into fundraising techniques about how to raise major donations. Instead, the Code is written to inform the reader about important factors which relate to major donor fundraising.

Fundraising from Grant Making Trusts

Guidance to trustees and fundraisers

This Code of Fundraising Practice establishes a series of criteria to be observed by all charities and other voluntary organisations, public bodies and members of the Institute of Fundraising engaging in fundraising from trusts and foundations.

The Code is not intended to cover fundraising from Statutory Bodies, for example, applications for European Union funding or UK Government or Local Authority grants, although some of the guidance within the Code may still be relevant to these applications.

The purpose is to ensure that trust fundraising is undertaken in a professional manner and that there is consistency of standards. The Code sets out to be a carefully thought-through code of best practice, enabling charities to avoid duplicating effort and to operate more effectively.

It is not an instruction manual in trust fundraising or a substitute for training and real practical experience. Grant making trusts are established because some person, or persons, is/are serious about giving.

Such trusts only achieve their purposes when they are distributing money. This Code, therefore, is not designed to protect them from people making applications, though it is anticipated that their task will be made easier when applicants follow the guidance in it.

Although this Code is primarily written for fundraisers, it is hoped that grant making trusts may also find it helpful in guiding applicants.

Legacy Fundraising

Acting in the best interests of the legator and the charity

This Legacy Code of Fundraising Practice establishes a series of criteria to be observed by charities engaging in legacy fundraising.

The purpose of the Code is to ensure that legacy fundraising is undertaken in a professional, responsible and sensitive manner, with due regard for the interests and confidentiality of the potential legator and the goodwill and reputation of the charity.

For the purposes of this Code, legacy fundraising is defined as:

The use of any fundraising technique, whether by a charity or an external agency on its behalf, the purpose of which is to secure a gift of money or property from an individual in their will.

This Code has been updated, detailing more fully the different ways that fundraisers promote legacy giving and the ethical issues surrounding it.

Fundraising and Events

Best practice for organising fundraising events

Organising events as a means of fundraising can be a great way to involve an array of different people and the community as a whole.

These Codes provide guidance for a range of events from Charity Challenge Events abroad to a dinner dance in a town hall.

Fundraising in schools can be a particularly daunting but rewarding area, due to the strict regulations when working with children. The Code on Fundraising in Schools provides guidance on this specific area.

Charity Challenge Events

A minimum checklist of issues to consider

The intention of this document is to provide readily accessible guidelines for people thinking of organising a Challenge Event, particularly but not exclusively, those intended to be run outside the UK.

This Code does not seek to provide an exhaustive briefing, nor to be a substitute for proper legal advice, but to ensure that the reader is aware of the most important questions and how to go about getting the answers.

This Code should only be treated as a minimum checklist of issues to consider – there may well be other issues that are equally important to consider for a particular event.

It should be read in conjunction with the Code of Fundraising Practice for Outdoor Fundraising Events in the UK.

The issues over protecting the environment and the local people are equally valid for events held outside the UK.

In our view, the factor which distinguishes a ‘charity challenge event’ is that the participant is also receiving a more than notional benefit, which in many cases has a monetary value attached, and seeks to fundraise from supporters in respect of their participation.

Event Fundraising

Issues for planning and running an event

This Code is intended to provide guidance for organising a fundraising event in the UK. It sets out legal requirements, best practice guidelines and a checklist of issues to consider when planning and running an event.

Legal requirements can vary between different jurisdictions (England & Wales, Northern Ireland, Scotland). In this Code, 'must*' indicates a legal requirement within one jurisdiction but not in others.

The Institute recommends that organisations adhere to the most rigorous interpretation of the law applicable to an activity. Though the Code is intended to be comprehensive, fundraising events take many forms and as such the Code may not cover every aspect of a particular event.

Event organisers should contact the Institute of Fundraising for further information if this is the case. The Code should be read in conjunction with the Codes of Fundraising Practice, 'Charity Challenge Events' and 'Outdoor Fundraising Events in the UK'.

Outdoor Fundraising in the UK

Staging successful outdoor events

Many charities are now raising funds from events based outdoors. Individuals or teams are challenged to complete a course that is sufficiently compelling to attract sponsorship.

Such events have been commonly held in areas of attractive landscape such as National Parks, especially in mountains.

These areas are already under increasing visitor pressure and land managers (such as the National Trust and National Park Authorities) are justifiably concerned at the impact of fundraising events.

Any charity undertaking an activity of this nature must ensure that it is consistent with the fundraising policies of the Trustees and be aware of the potential risks involved.

Please note that this revised Code incorporates the code 'UK Charity Challenge Events'.

Fundraising Collections

Best practice for collecting directly from the public

With collecting, fundraisers come into direct contact with the public. It's in the fundraisers' interest that collecting is carried out sensitively to protect the reputation of their organisation in the mind of the public.

The Codes below include stipulations as to a fundraiser's conduct and checks and balances for the handling of the resulting funds.

Face-to-Face Activity

Ensure effective and sensitive activity

Face-to-Face activity describes all forms of personal engagement in public places designed to initiate a lasting relationship with a given fundraising organisation. It includes Face-to-Face fundraising to solicit committed gifts by direct debits and/or standing orders as well as Face-to-Face engagement which aims to initiate a lasting relationship with a given fundraising organisation.

This Code replaces the original 'Face-to-Face' Fundraising Code which was revised to incorporate the more recently emerged 'engagement' technique, commonly termed 'prospecting'.

Undertaken within the parameters of this Code of Fundraising Practice, Face-to-Face activity can enable fundraising organisations to communicate with existing and potential supporters in an effective and sensitive manner without causing public nuisance or disturbance.

For further information about Face-to-Face activity, contact the Public Fundraising Regulatory Association (PFRA).

Handling of Cash Donations

Considerations and controls for dealing with cash

This Code is intended to outline good practice on the handling of cash by charitable organisations.

It is not intended to cover every single aspect of cash handling, but to raise awareness of the areas that need to be considered and the types of controls that should be put in place.

Organisations should use these notes as a guide from which to produce their own procedures and requirements.

Cash handling guidance is important for three main reasons:

- to protect the organisation from fraud, theft or embezzlement
- to protect staff or volunteers from accusations of dishonesty or the temptation to commit fraud
- to assure donors that their donations and gifts are used for the purpose for which they were given.

The need to handle cash arises throughout the charity fundraising sector and occurs in such areas as appeals, fundraising events, ticket sales, refreshment sales, programme sales, raffles and shop trading.

The general guidance applies to all cash handling situations, guidance covering events, and shop trading is dealt with under specific headings.

House to House Collections

Getting the most out of direct contact with the public

House to House Collections are a vital source of funds for many charities and must be carried out efficiently and in conformity with the law.

The Institute of Fundraising's policy on House to House Collections is that:

- they offer a positive opportunity for the general public to participate actively in supporting charities within their own community
- they enable supporters to raise funds for all sorts of charities in an ethical and secure manner
- they provide an important mechanism for information exchange between charities and their donors.

Raffles and Lotteries

Definitions and legislation to be adhered to

Lotteries (including raffles) are a fundraising staple for many organisations, whether arranged by the organisations themselves or volunteers. The Raffles and Lotteries Code outlines the legal requirements and issues of best practice for the types of lotteries most commonly organised for fundraising purposes.

The Code details the requirements under which exempt lotteries can take place, with specific reference to:

Incidental, non-commercial lotteries;
Private lotteries; and
Customer lotteries.

Further guidance is contained for society lotteries, whether licensed by the local authority or the Gambling Commission.

While prize competitions and free draws are free from statutory control under the Gambling Act but are subject to other regulations. These requirements are highlighted in the Code, which also includes clear definitions of the terms.

Raffles and lotteries in Northern Ireland are subject to specific regulations which are dealt with separately, in Section 7 of the Code.

The Management of Static Collection Points

Ensuring effectiveness and efficiency

Public collections undertaken for, or on behalf of, charities and other voluntary organisations in places to which the public have general access are regulated by law.

Collections undertaken on private premises, to which the public is not afforded general access, are generally not regulated by law.

Many collections held on private premises to which the public do not have general access are the concern of only a small number of individuals, each of whom are known to one another – members of a family, an association, club, group or small voluntary community.

If you intend to engage in a collecting activity for, or on behalf of, a charity or other voluntary organisation, always ensure that the collecting activity is undertaken within the requirements of the law.

Where any appeal for money or property on behalf of charities or other voluntary organisations is made to a wider public, it is in the interests of everyone involved in fundraising to ensure that the trust and the integrity of the voluntary giving is maintained.

The most common form of collection appeals undertaken outside the requirements of existing legislation governing public collecting activity, are appeals involving the use of static collecting boxes – either floor standing or on counters in shops, pubs, hotels, hospitals, reception areas etc.

Static collecting boxes are amongst the most effective and efficient forms of fundraising, especially when voluntary workers are employed in their siting and servicing. They also provide visible evidence of a charity or voluntary organisation's presence and acceptance by the community.

It is important that the authorities and the general public alike retain confidence in such a valuable source of charitable funds. This Code is designed to ensure the proper management and use of static collection boxes and to safeguard the public interest in their use.

Fundraising and Volunteers

Best practice for managing volunteers in your fundraising

Volunteers are an invaluable resource in charitable work, and no more so than in terms of fundraising.

Here you can find information for those looking to fundraise for their chosen cause in addition to the management of volunteers by organisations.

Guidance for 'In Aid of' Volunteer Fundraisers

Information for volunteers wishing to fundraise for their chosen charity

This document is an example of information that might be included in a letter to a volunteer 'In Aid of' fundraiser.

Organisations may use this document in full or may adapt it to suit the requirements of their organisation.

Please also refer to the Code of Fundraising Practice, 'Volunteer Fundraising'.

Volunteer Fundraising

Emphasising the importance of good volunteer management

Volunteer fundraising is the most prevalent form of fundraising in the UK. The NCVO Civil Society Almanac 2008 estimates that almost two thirds of all volunteers in the UK are involved with raising and handling money.

As such, volunteer led fundraising activity is the most frequent way in which the majority of the public engage with and encounter fundraising practice, for example, through attending events, coffee mornings or meeting house to house collectors.

Good practice in volunteer management is therefore especially important in fundraising.

Through having a good volunteer fundraising experience, people gain an insight into fundraising, build support for charities from both themselves and others, and engage in the kinds of activity that are the essence of the voluntary and community sector.

Among volunteer fundraisers is a range of high profile individuals. This Code of Practice therefore applies to organisations with patrons, trustees or celebrities who are involved in fundraising as volunteers.

Fundraising with Business and in the Workplace

Best practice guidelines for fundraising in the workplace and engaging the commercial sector

As more and more charities look to engage in the commercial sector as part of their fundraising initiatives, these Codes provide information about the legal requirements and best practice advice of doing so.

You will also find valuable advice relating to contracts and the payment of hired third parties.

Best Practice for Fundraising Contracts

Code of practice and model contract

This Code focuses primarily on Fundraising Contracts as practical documents establishing and providing for the development of core working relationships between Voluntary and Community Organisations ('Clients') and providers of fundraising services for payment ('Providers').

To highlight the relevant issues it divides the process of creating a Fundraising Contract into stages and emphasises the need for ongoing contract management.

Fundraising services may be provided by large or small Providers and may include managing or assisting with:

- marketing and advertising campaigns
- direct marketing services
- fundraising strategies, policies and organisational capacity, and
- particular appeals, campaigns, projects, events, giving programmes and collections.

Overall the contract should precisely and comprehensively state the agreed commercial terms in simple language, ensuring regulatory compliance.

Both parties should ensure they understand and agree all provisions before signing and should not commence contractual operations until the contract is in place.

General regulatory matters are covered in the Code, but it does not extend to regulatory or practical issues which arise in relation to particular types of Fundraising Contract.

Regulation differs between the three UK jurisdictions and can vary depending on the precise nature of the activity and contract. An ‘*’ in the text indicates a legal requirement under the law of England and Wales, specifically relating either to Part II of the Charities Act 1992 or to the Trustee Act 2000.

For those for whom it is not a legal requirement, it should be applied as best practice. An important general distinction is between two types of Provider:

‘Professional Fundraisers’, who/which through a fundraising business or otherwise for reward raise funds on behalf of Clients and are (under English and Welsh law) specifically regulated; and ‘Consultants’, who/which advise, or provide management services, to facilitate a Client’s own fundraising activity and are not specifically regulated. Providers and Clients must* identify any situation where ‘Professional Fundraiser’ regulations apply.

The Code may be read alongside the Model Fundraising Contract (available at the bottom of the page).

The Model provides a standard base and framework for Fundraising Contracts, to be adapted to particular circumstances, or to be used as a checklist.

The Code and the Model Fundraising Contract are both drafted with the intention of balancing the interests of Clients and Providers. It may be helpful for one party to a Fundraising Contract to draw the Code to the attention of the other.

The Code may be applied to Fundraising Contracts between trading subsidiaries of Clients, but it does not deal with the Client/subsidiary relationship.

The Code does not extend to contracts between Providers and their sub-contractors, or to Commercial Participator Agreements (see the Code of Fundraising Practice ‘Charities Working with Business’). The Code and Model do not constitute legal advice.

Charities Working with Business

Preparing charities to work with the commercial sector

Corporate Partnerships can bring many benefits. They can provide much needed funds from marketing or community budgets, good PR, brand awareness, awareness of corporate social responsibility, volunteers and gifts in kind.

However, without the correct preparation, they have the potential to bring with them problems and conflicts. Much will depend on how the relationship is set up and the preparation undertaken right at the beginning.

This Code is designed as a guide to how charities can work with the commercial sector. Visit:

<http://www.institute-of-fundraising.org.uk/Resources/Institute%20of%20Fundraising/Codes/Charities%20working%20with%20Business%202006.pdf>

Committed Giving in the Workplace

Information on schemes enabling on-going support through employees’ donations

Fundraising within the workplace is varied in form and is subject to both direct legislation and self-regulation.

This Code specifically addresses the interests of donors, employees, employers, Voluntary and Community Organisations (VCOs), Professional Fundraising Organisations (PFOs), other fundraisers (volunteers and employees), and Charity Agencies in relation to the recruitment of donors using committed giving in the workplace.

Committed givers in the workplace are able to set their donations up using the payment methods of:

Payroll Giving, a tax effective scheme whereby the gift is taken from pay pre taxation direct debits, standing order or authorisation of credit card mandate. These regular gifts can be supported by Gift Aid, a post-tax method of tax-effective giving post-tax 'round-up' schemes where employees' donations come from rounding down/up the 'odd pennies' from their pay.

This Code does not address other forms of fundraising in the workplace, such as cash collections.

Payment of Fundraisers on a Commission Basis

Principles to adhere to in these circumstances

The Institute believes that such arrangements should only be entered into in exceptional circumstances and advises against the general use of payment on a commission only basis.

Fundraising Consultants and Independent Fundraisers offer an important and growing source of expert advice and support to those engaged in raising funds for charities and other voluntary organisations.

It is of great importance that the method and the amount of payment, by way of remuneration to the Consultant/ Independent Fundraiser, is clearly defined in a Written Agreement between the parties concerned before any fundraising commences.

The guidance contained in this Code applies to one particular method of remuneration: the payment for fundraising services that are made on a commission only basis (for example, that the fundraiser shall receive payment of x% of the total sum raised).

In exceptional circumstances it may be the case that this form of payment arrangement remains the only option open to a charity, but where it is entered into, it should only be under the clearest limitation of time: with the precise rate of payment established and after the prior identification of the specific tasks to be undertaken by the fundraiser.

Standard Forms of Agreement

Model contracts between charities and third parties

For templates, visit: <http://www.institute-of-fundraising.org.uk/bestpractice/thecodes/codesoffundraisingpractice/standardformsofagreement.htm>