

Shared Services for Charities Approved Policies and Procedures



Sample Template for Fund Raising

Version Number:	Approved by:
Effective Date:	Date:

INTRODUCTION AND OBJECTIVE

The organisation should ensure that its fundraising activities will preserve the integrity and transparency of the charity. The main objective is to ensure accurate information is provided to donors or to the general public with regards to its fund raising activities.

SCOPE

- General guidelines
- Planning and executing a fund raising activity
- Use of third party fund raisers
- Collections management
- Accountability to donors
- Reporting and disclosure
- Supporting documents and maintenance of records
- Special Provisions for Institutions of Public Character ('IPC')

RESPONSIBILITY

The overall responsibility for ensuring the correct application of the policies rests with the Board, who will be assisted by the Management.

Compliance is compulsory for all staff and volunteers.

DISCLAIMER

The policies and procedures are for illustration only, and should not be adopted in its current form or content. Further customisation will be required to ensure they address the specific requirements of the individual organisation.

Important Note:

All rights reserved.

Please contact Shared Services for Charities for customisation to your organisation's structure and requirements. 177 River Valley Road, #05-20 Liang Court, Singapore 179030. Tel: 6339 2811. Email: enquiries@sscharities.com

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PROCEDURES

1. General Guidelines

- 1.1 The organisation, commercial fund-raiser or person conducting a fund-raising appeal shall ensure that any information provided to donors or to the general public is accurate and not misleading
- 1.2 The following information is disclosed to every person from whom a donation is solicited:
 - The name of the charity or the person to which the donation will be given
 - The purpose for which the donation will be used
 - Whether any commercial fund-raiser has been engaged in soliciting the donation
- 1.3 Any information relating to donors is kept confidential and no information relating to a donor is given to any other organisation or individual without the consent of the donor
- 1.4 Any arrangement to solicit donations has adequate control measures and safeguards to ensure proper accountability and to prevent any loss or theft of donations.

2. Planning and Executing a Fund Raising Activity

- 2.1 Fundraising targets should be set based on the charity's needs and disclosed to donors.
- 2.2 All donations should be used to support the charity's objectives.
- 2.3 Records generated for and during the fundraising shall be maintained and updated when necessary.
- 2.4 The total relevant fund-raising expenses of a charity for the financial year should not exceed 30% of the total relevant receipts from fund-raising and sponsorships for that financial year.

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3. Use of Third Party Fund Raisers

- 3.1 All third parties who wish to solicit funds on behalf of the organization must acquire written permission from the Executive Director prior to the commencement of any fundraising activities.
- 3.2 The rationale and fee arrangements of using a third party or commercial fund-raiser should be approved by the Board and disclosed to potential donors.
- 3.3 Payments to the third party fund-raiser should not exceed 30% of the income raised through the fund-raising activity.
- 3.4 The total amount of all donations collected by the commercial fund-raiser shall be paid directly to the charity.
- 3.5 Any payment due to the commercial fund-raiser from the charity or the person shall be paid separately by the charity.
- 3.6 The commercial fund-raiser shall not deduct or set off any payment or expenses due to him from the donations collected.

4. Collections Management

4.1 Donations:

4.1.1 Collections received through the Mail:

- a) All mail shall be opened by an authorised personnel in the presence of another staff member. Donations shall be recorded in the Donation Register.
- b) Cash donations shall be counted immediately in the presence of at least one authorised witness and recorded in the Cash Count Form, signed off by both parties.
- c) Proper safeguards shall be exercised over cash and cash equivalent, until bank in.

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- d) All supporting documents and accompanying letters (where applicable) which state the donor's intent shall be filed properly and the donation received shall be clearly indicated as restricted fund.
- e) An official receipt shall be mailed to the donor in accordance to the organisation's internal policies.

4.1.2 Walk-in Collections:

- a) Pre-numbered receipts shall be issued immediately.
- b) Voided or cancelled receipt shall be retained for audit purpose.

4.1.3 Donation Box Collections:

- a) The organisation shall keep a register to track the location of donation boxes.

4.2 **Income from Charitable Activities:**

4.2.1 Sale of Items

- a) A list of items for sale shall be maintained, with stock number codes.
- b) Pre-numbered receipts shall be issued immediately for receipts of monies.
- c) A reconciliation between the opening and closing stocks and quantities sold, as per the physical receipt information shall be performed at the end of the day, by a party independent to the process.

4.2.2 Income from Services

- a) Official invoices shall be issued by the organisation at the point of service completion, or as per the agreed terms and conditions.

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5 Accountability to Donors

- 5.1 The organisation shall be accountable to donors for all donations received by performing the following:
- Maintain proper accounting records and segregation between all restricted fund accounts;
 - Report on funds usage and its achievement in its annual report. Please refer to the policy regarding *Disclosure and Transparency* for details on the disclosure requirement;
 - Ensure the adequacy of information provided in relation to the intended use of donations, tax implication to potential donations (for IPC);
 - Ensure the accuracy of information provided to donors or general public; and
 - Maintain the confidentiality of donor's information unless it's been explicitly permitted by the donor.

6 Reporting and Disclosure

- 6.1 The organisation shall disclose in its financial statements the total amount of donations, sponsorships in cash and the total cost or value of the sponsored property, goods and services it paid or received, as the case may be, during the period to which the financial statements relate to in accordance with receipts or other documentary evidence presented to the charity if, and only if, such documentary evidence is available.
- 6.2 The organisation shall ensure that an auditor approved by the Sector Administrator certifies in the auditor's report whether it has complied with the requirements for the financial year.

7 Supporting Documents and Maintenance of records

- 7.1 Documentary records of evidence of collections shall be filed. They shall be duly signed by fund-raising partners and staff assigned to collect donations.

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8 Special Provisions for Institutions of Public Character ('IPC')

- 8.1 A tax deductible receipt in the specific format should be issued to the donor. It should state the name of the Sector Administrator (where applicable), be serially numbered, and signed by either the treasurer of the IPC, or by or by any person to whom such function is delegated by its governing board members.

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