

## **GUIDELINES ON PUBLIC AND PRIVATE FUND-RAISING**

### **Aim**

This set of guidelines explains how the Commissioner of Charities distinguishes between public and private fund-raising appeals, so as to provide clarity on the waiver of the 80:20 rule on donations to a private fund-raising appeal for foreign charitable causes.

### **Fund-raising Permit for Foreign Charitable Purposes**

2 If a person or organisation wishes to conduct fund-raising appeals for foreign charitable, benevolent and philanthropic purposes, a permit is needed from the COC. Granting of the permit is conditional upon the applicant undertaking to apply 80% of the funds raised through the fund-raising appeal, on charitable objects in Singapore (i.e. “80:20 fund-raising rule”).

3 As part of the measures taken to make Singapore a philanthropic hub, the Government has announced in the 2007 Budget Statement ***the removal of the 80:20 fund-raising rule on private donations raised for foreign charitable causes, but retaining the rule on donations raised from the general public.*** The change will support the charitable work of reputable charitable organisations and grantmakers with an international or regional orientation, while ensuring that funds raised from the general public continue to benefit the Singapore community.

### **Distinction between Public and Private Fund-raising**

4 Public fund-raising activities source donations from the general public, who are typically “man-in-the-street” donors who may not have access to sufficient information to be discerning about their donation decision, especially if the donations are solicited for foreign charitable purposes. On the other hand, private donors are those who have a personal relationship with the fund-raiser or do not constitute the general public and are better positioned to decide if they want to support the fundraising efforts and the charitable cause. Therefore private fund-raising can be less tightly regulated.

#### **Private Fund-Raising**

5 All the following factors will be considered collectively to determine if a fund-raising activity is private:

- I. **Relationship of fund-raiser/participator with the potential donor**
  - a. **Close contacts**<sup>1</sup>: family members, personal friends and business associates
  - b. **Internal**<sup>2</sup> fund-raising within:

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<sup>1</sup> There should be a direct relationship between the fund-raiser and the targeted potential donor.

- i. Organisations such as business corporations, registered clubs, societies, religious bodies or associations
- ii. An alumni network
- iii. Schools<sup>3</sup>

II. Target donor groups

Discerning entities, such as business corporations, family and corporate foundations are better placed to assess the intent and purposes of the fund-raisers.

III. Outreach

- a. Scale of outreach, subject to the test of reasonableness. For example, if a bank decides to have a fund-raising appeal targeting all its clients, it will not be reasonable to consider it a private fund-raising appeal as the scale of outreach is likely to be in the thousands.
- b. Accessibility and Publicity: The private fund-raising appeal should not be accessible to any walk-in member of the public. There should also not be any use of self-initiated media publicity (e.g. news coverage, advertising via internet or use of outdoor displays), campaigns and road shows for the appeal.

6 All of the above factors would be taken into consideration to determine if an organisation's fund-raising appeal for foreign charitable purposes may be deemed as private, so as to be exempted from the 80:20 fund-raising rule. If there is any breach of rules after classification as a private appeal, the exemption will no longer be valid and 80/20 rule will be applied on the donations received under the permit. All fund-raisers should also abide by the [Charities \(Fund-raising Appeals for Local and Foreign Charitable Purposes\) Regulations](#).

**OFFICE OF THE COMMISSIONER OF CHARITIES**  
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<sup>2</sup> Where the activities are organised by the organisations themselves, or by its registered members with the explicit approval of the organisation.

<sup>3</sup> For example, when a school raises funds from teachers and/or students to support a particular overseas charity or charitable cause.