

Statement of Guiding Principles for Fundraising

Irish Charities Tax Research Ltd
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Background and Context

Background

This Statement of Guiding Principles for Fundraising has been drawn up in the context of the publication of The Charities Bill 2007 (not yet enacted), which proposes that the operational and administrative aspects of fundraising would be regulated by agreed Codes of Practice to be developed with the sector. A feasibility study and public consultation was undertaken in 2006/2007 to explore how the operational aspects of charitable fundraising could be effectively regulated through Codes of Practice for charitable fundraising.¹

Submissions to the consultation emphasised that the design and implementation of Codes of Practice would need to strike a balance between enhancing public confidence while not being onerous on charities with less capacity. In particular, the feedback emphasised that account should be taken of the needs of smaller organisations where fundraising is local and personalised and where receiving support depends on community ties and mostly voluntary effort. For these organisations it was felt that formalised accountability structures may not add real value but they would add more bureaucracy.

¹ The Report on the Feasibility Study on Codes of Practice, from ICTR to the Department of Community, Rural and Gaeltacht Affairs (2008 forthcoming). The consultation process was led by Irish Charities Tax Research Ltd., an outline of which can be viewed on www.ictr.ie

The feasibility study recommended that:

- The Charities sector, allied with professional assistance and with a strong independent input, should take the lead in setting the standards.
- A Monitoring Group comprising a majority of independent members and with an independent chairperson should be established to actively monitor usage of the Codes and to deal with complaints.

The findings of the feasibility study indicated clear support that this proposed process be modeled by drafting and consulting on a Statement of ‘Guiding Principles for Fundraising’.

In July 2007 a Working Group, the profile of which reflected the findings of the feasibility study, was convened to draft such a Statement (see Appendix B). The Working Group initially reviewed Codes from other jurisdictions and from other sectors (see Acknowledgements), considered best practice guidelines on regulation and took into account the feedback already received from the earlier consultations. An initial draft Statement was made available for public consultation in October/November 2007. Based on the feedback received from the consultation on the first draft this final Statement was completed in January 2008.

The resulting Statement is not intended to be a detailed operational Code; rather it presents a set of overarching principles and guidelines for fundraising in Ireland.

Recommendations of the Working Group

Through its work in drafting the Statement, the Working Group identified some key questions that need to be discussed and agreed between the charities' fundraising sector, the state and, when established, the Regulator. They are:

1. When, as anticipated, The Charities Bill (2007) is enacted and the Charities Regulatory Authority is established, all charities in Ireland will be bound to comply with the resulting legal registration and accountability provisions of the Bill.

There is provision in the Bill for *“implementing agreed Codes of Good Practice in relation to the actual fund-raising operations, while retaining reserve powers for the Minister, after consultation with the Authority, to make statutory regulations on the manner and conduct of fundraising if such an approach proves ineffective”*.²

Recommendation 1

Those benchmarks that will be applied to determine whether the Codes of Practice have been effective (and thus whether the Minister's reserve powers would be applied) need to be established at the outset. This will require dialogue and agreement between the Regulator, the Monitoring Group and the charities' fundraising sector.

² Section 85 of the Explanatory Memorandum Charities Bill 2007

2. There is a need to agree the relationship and flow of information between the Monitoring Group, the Regulator (in time), the charities' fundraising sector and the general public. This can include, for example, agreeing any remedial action required for those charities that do not comply with the agreed standards of practice, and addressing instances where a member of the public contacts the Regulator, rather than the Monitoring Group about standards.

Recommendation 2

The modalities of the relationship between the Regulator, the charities' fundraising sector, individual charities, the Monitoring Group and the public need to be established at the earliest stage.

3. The standing and authority of these standards is entirely dependent on having a credible, independent and active monitoring and compliance dimension. The Monitoring Group, which is to be made up of a majority of independent members and with an independent chairperson, is to deal with questions of monitoring and compliance.

Recommendation 3

The question of how the Monitoring Group is established and suitably financially resourced needs to be agreed.

4. For the standards to be successful, charities will need to be informed and educated about the **Statement of Guiding Principles for Fundraising** and other relevant Codes of Practice. Given the profile of the sector, it is important that charities, especially those with less capacity, can avail of assistance and support to assist them reach the required standards.

Recommendation 4

An information and training initiative will be needed to create the required level of awareness and skills amongst participating charities so as to enable them to meet the required standards. Such training will need to be of an approved standard and to recognise the diversity of organisations (larger and smaller) and their varied needs.

5. It is important that the standards are dynamic and reflective of practice. The Monitoring Group will work with the charities' fundraising sector on an ongoing basis to ensure that the **Statement of Guiding Principles for Fundraising** and other Codes of Practice are appropriate and are updated as required to reflect changing fundraising practices and changing circumstances.

Recommendation 5

A mechanism should be put in place by the sector to update this Code and to devise and agree any further Codes that are identified as requirements in the future. Any future Codes agreed by the sector should also come under the remit of the Monitoring Group.

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Steering Committee
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Acknowledgements

A number of Irish and International Codes of Practice informed this draft. They are:

Code of Conduct on Images and Messages, Dóchas www.dochas.ie

Code of Practice, Irish Fundraising Forum for Direct Recruitment, www.iffdr.org

Codes of Conduct, Institute of Fundraising, www.institute-of-fundraising.org.uk (UK)

Ethical Guidelines for Fundraising, ISOBRO, www.isobro.dk (Denmark)

International Non Governmental Organisations' Accountability Charter, www.ingoaccountabilitycharter.org

A Donor Bill of Rights, American Association of Fundraising Counsel, www.aafrc.org

Guidelines and Implementing Instructions for nonprofit organisations soliciting donations, German Central Institute for Social Issues, www.dzi.de

ICFO International Standards, The International Committee on Fundraising Organizations www.icfo.de

Code of Good Governance for Fundraising Charities, VFI (Dutch Association of Fundraising Organisations) www.vfi.nl

Introduction

This **Statement of Guiding Principles for Fundraising** has been drawn up by charity fundraising practitioners and donors (see Appendix B) and has been reviewed by legal, accounting and other related professionals (see the list of members of the Steering Group in Appendix C).

The introduction of standards by the charities' fundraising sector is an important act in its own right and provides an opportunity to build capacity within individual charities and in the wider charities' fundraising sector.

These principles and guidance are intended to be of practical use when organising fundraising. The Statement offers donors and potential donors clarity on what they may expect from the charity, its representatives (whether voluntary or paid) and its management.

These are general principles and given that each organisational context is different, those responsible in the organisation will be required to use their judgement and to consider how these principles are best applied within their organisation. Depending on the organisation not all the commitments may be relevant but where they are relevant they should be applied as is practicable. The commitments contained are not exhaustive and may be added to as befits the organisation's mission.

The Statement seeks to go further than the minimum legal requirements by offering a set of overarching principles and guidance about how fundraising should be approached and organised. It thereby complements and builds on the existing legal framework

within which all charities operate.³ In order to facilitate an integrated approach to the organisation of fundraising, the Statement refers to legal requirements that apply to fundraising. However the spirit of the Statement is that the charity shall not be limited to what is expected in law but will seek to apply the highest possible standards. Some useful contact points in relation to legal and other requirements are contained in Appendix A.

The Charities Bill 2007 has the stated objective of “...*implementing agreed Codes of Good Practice in relation to the actual fund-raising*

3 A number of bodies currently play a role with regard to various aspects of charities, including the Attorney General, the Revenue Commissioners, the Commissioners of Charitable Donations and Bequests for Ireland, An Garda Síochána, the Director of Corporate Enforcement, the Registrar of Companies, the Valuation Office and the Probate Office. See Appendix A for contact details.

operations...”. In expectation of the enactment of the Bill and the subsequent establishment of a Charities Regulatory Authority, if this objective is to be effectively realised a robust and ongoing engagement between the charities’ fundraising sector and the Regulator is required. This Statement and the Irish Fundraising Forum for Direct Recruitment’s (IFFDR) Code of Practice⁴ provide a basis for that engagement between the charities’ fundraising sector and the state.

The charities’ fundraising sector may in the future identify other fundraising areas and agree detailed operational Codes to address

4 At the time of writing (January 2008) the only example of a currently operational Code of Practice devised and operated by fundraising practitioners is that of the Irish Fundraising Forum for Direct Recruitment (IFFDR). The IFFDR was invited to and agreed to put that Code forward for inclusion as part of the submission. A copy of the Code can be viewed at www.iffdr.org

particular fundraising practices (similar to the IFFDR's Code of Practice); these too should form part of the future dialogue.

It is essential that this Statement be updated based on experience and feedback, and taking into account future developments, particularly those that improve accountability and transparency. Similarly the IFFDR Code of Practice has already been and shall continue to be informed by developments and changes in fundraising practice and will be updated accordingly.

Complying with the Statement

This Statement is not a legally binding Code but sets out best practice in its main and supporting principles. Charities that subscribe to these principles should make a statement to that effect in the

Annual Report and the Statement of Annual Accounts and other relevant published material. In that statement, the charity should either confirm that it complies with these principles, or where it does not, provide an explanation. This 'comply or explain' approach provides flexibility to enable organisations interpret it to suit their particular circumstances. It is for stakeholders and others to evaluate the organisation's statement.

Although it is anticipated that many charities will aspire to implementing the Guiding Principles, applying such standards will be progressive in nature and likely to be phased in as the organisation grows in size and more formal fundraising practices are employed.

Who this Statement is for

The purpose of this **Statement of Guiding Principles for Fundraising** is to provide a set of agreed and accessible standards that can be applied to charitable fundraising strategies and projects.

The Statement is available to be applied by charities that fundraise from the public.⁵ It does not apply to organisations that fundraise and who are not charities, or to those charities that do not fundraise from the public. However any organisation that fundraises from

⁵ Until the Charities Bill 2007 is enacted there is no legal framework for the registration of charities in Ireland. The Office of the Revenue Commissioners, Charities Section maintains a database of organisations to which they have granted charitable tax exemption. To be eligible an organisation must be constituted and operated exclusively for charitable purposes. While there is no legislation defining what is legally charitable it is generally determined by considering whether a particular purpose comes within one of the four broad categories: (1) the Relief of Poverty, (2) the Advancement of Education, (3) the Advancement of Religion, and (4) other purposes beneficial to the community.

the public may choose to apply these principles.

The Statement is of particular value to:

Fundraising Practitioners:

The Statement offers a set of principles and guidelines to assist fundraising practitioners (voluntary or paid), in their efforts to raise funds for their organisation's causes. In some cases it also refers to the legal requirements that apply.

Charity boards/trustees and senior management:

The Statement will be of value to charity boards/trustees and senior management, who are ultimately responsible for the activities of those associated with the charity, as well as those responsible for financial accounting and reporting. It should also serve to help charities build their own capacity by developing appropriate practice and standards.

Charity donors or prospective donors:

The Statement clearly indicates the standards that charity donors or prospective donors can expect from charities seeking their support, and it outlines the channels for redress that they can avail of if required.

Core Principles

Respect

The charity shall respect the rights, dignity and privacy of its supporters, clients and beneficiaries. It shall not put undue pressure on anyone to make a gift and where someone does not want to give or wishes to cease giving, that decision will be respected. The charity will not represent their clients or beneficiaries in a disrespectful way in their promotional activities, and where possible and appropriate, clients or beneficiaries will have an input into the charity's promotional strategies. The charity will take care not to cause unreasonable nuisance or disruption in its fundraising efforts.

Honesty

The charity will always act in an honest manner and will be truthful in all its dealings. It will answer

honestly all reasonable questions about its fundraising activities and fundraising costs and it will do so within a reasonable timeframe.

Openness

The charity will make information about its purpose and its activities freely available. It will be transparent about who it is, the work it performs and how any support is used. The charity will be accountable and will provide a number of ways whereby those interested can contact the organisation and receive a reasonably timely response. The charity will have a procedure to address complaints, a copy of which will be available on request.

Commitment to Donors

The charity shall agree and make known its own Donor's Charter which will include the following commitments. The charity may expand on these commitments as befits their organisation's mission.

Donors

Donors have the right to be assured that their gifts will be used for the purposes for which they were given. Fundraising charities shall respect the rights of donors to be informed about the causes for which the charity is fundraising; to be informed about how their donation is being used; and to have their names deleted from mailing lists or databases if so requested.

Use of donations

In raising funds, the charity will accurately describe its activities and needs. The charity's policies and practices will ensure that any donations received will be used solely to further the organisation's mission. Where donations are made for a specific purpose, the donor's request will be honoured. If the charity invites the general public to donate to a specific cause, then the charity will have a plan for handling any shortfall or excess.

Disclosure

Donors have the right to be informed of the status and authority of those soliciting donations; for example, donors will be informed if fundraisers are employees of the organisation or third party agents.

Organisational Independence

The charity will record and publish in the Annual Report and the Statement of Annual Accounts details of individual gifts, including gifts-in-kind; where the charity judges that those gifts may be construed to have the potential to influence the independence of the organisation's decision making.

While an organisation is not obliged to accept anonymous donations, where anonymity is requested by a donor this will be respected if the donation is accepted, however the other details of the gift will be recorded and published (such that anonymity is preserved).

Third party fundraisers

The charity will seek to ensure that any donations sought indirectly, such as through third party agents, are solicited and received in full conformity with the charity's own standards and practices. This will normally be the subject of written agreement between the parties.

Volunteer fundraisers

The charity's board and management shall ensure that the organisation has a policy for its activities involving volunteers, including the relationship and communications with volunteers and how volunteers are managed.

Complaints and feedback procedure

The charity will put in place procedures to enable interested parties to notify the organisation of their wishes, comments and complaints. These procedures will include systems to ensure that all feedback (including especially any complaints) are responded to and addressed within a specified timeframe. Public or donor queries or complaints should, in the first instance, be addressed to the charity in question. Where the charity's response does not satisfy the complainant, s/he will have clear information about the next level of the complaints procedure, which will be directed to the Monitoring

Group (see Section 9). All matters of illegality should be addressed immediately to An Garda Síochána.

Financial controls

The charity's internal financial control procedures will ensure that all funds are used effectively and will minimise the risk of funds being misused. The charity will follow the principles of best practice in financial management. An Annual Report and a Statement of Annual Accounts figures will be freely available to the public (see Section 8, number 2 for an outline of the content of an Annual Report and a Statement of Annual Accounts).

Human resources

The charity's human resource policies will conform fully to relevant national and international labour regulations. These policies will seek to apply best practices in terms of employee and volunteer rights and health and safety at work.

Equality

The charity will adhere to any equality legislation and will not tolerate discrimination in any form.

Appointment of external auditor

The charity's board (or, in the case of an association, the general meeting of members) shall appoint an external auditor or independent examiner as appropriate to audit/examine the annual accounts.⁶

⁶ It is a requirement of the Revenue Commissioners that charities with an annual income of €100,000 or above must have audited accounts and this audit threshold is also applied in the Charities Bill 2007. There is provision in the Charities Bill 2007 that charities below this threshold will not be obliged to have fully audited accounts but will have to have their accounts examined by an independent person approved by the Regulatory Authority.

The Conduct of Fundraisers

Fundraisers and fundraising charities commit themselves to the highest standards of good practice and to ensuring that all their fundraising activities are respectful, honest, open and legal. Any information obtained in confidence as part of the fundraising process must not be disclosed without express prior consent.

The following commitments are not exhaustive and may be added to as befits the organisation's mission.

Fundraisers and their organisations commit to:

1. Conduct themselves at all times with integrity, honesty and trustworthiness. They will act at all times openly and in such a manner that donors are not misled;
2. Respect the dignity of their profession and ensure that their actions enhance the reputation of themselves and the charity they represent;
3. Act according to the highest standards and visions of their organisation and profession;
4. Disclose if they are employees of the organisation or third party agents;
5. Not knowingly or recklessly disseminate false or misleading information in the course of their professional duties, nor permit their subordinates to do so;
6. Not represent conflicting or competing interests without the consent of the parties concerned;
7. Not knowingly, recklessly or maliciously injure the professional reputation or practice of other members of the fundraising profession;

8. Not knowingly act in a manner inconsistent with these standards, or knowingly cause or permit others to do so;
9. Not exploit any relationship with a donor, prospect, volunteer or employee for personal benefit or misuse their authority or office for personal gain;
10. Comply with the laws of the land which relate to their professional activities, both in letter and in spirit;
11. Advocate adherence within their organisation to all applicable laws and regulations.

Responsibilities of Fundraising Management

Those responsible (or their designate, whether voluntary or paid) for organising specific fundraising campaigns or fundraising activities, or who are responsible for managing others who organise such fundraising campaigns have a range of responsibilities in order to meet the commitment to donors and fulfil the principles and standards. Amongst those responsibilities, Fundraising Management must:

1. Be responsible for ensuring that fundraisers are aware of and can generally communicate the purpose of the organisation and of the specific fundraising efforts they are involved in;

2. Be responsible for ensuring that fundraisers are aware that they must disclose if they are employees of the organisation or third party agents;
3. Provide, where possible, clear and adequate, written or verbal, information to the public about any relevant follow-up including telephone procedures;
4. Have procedures to ensure that, wherever possible, particular caution is exercised when soliciting from people who may be considered vulnerable;
5. Ensure that, where paid, fundraisers are remunerated by such methods that will avoid the incidence of pressure on the potential donor to donate;
6. Where events organised in the charity's name are not known by the charity until after the fact, the charity will work with that fundraiser to ensure they are aware of the standards expected and that the fundraiser will apply them to any future events they hold for the charity;
7. Where donations are raised through electronic means, for example through charities' websites, the level of security applied to such websites shall be of a sufficient standard to protect the confidentiality of donors credit card and other personal details;
8. Be responsible for ensuring that paid fundraisers are remunerated within the minimum wage regulations;
9. Ensure all public collections have a Garda permit, or where no permit is necessary, permission

from the relevant authority (such as for collections in church grounds);

10. Ensure there is signed confirmation that data are kept securely and confidentially and in compliance with the Data Protection Acts 1988 and 2003;
11. Ensure that the recruitment process screens potential recruits to indicate suitability (subject to data protection regulations);
12. Where remunerated, ensure fundraisers are legally entitled to work in the jurisdiction;
13. Be responsible for ensuring that, where paid, all fundraisers and third party agents are given appropriate contracts, to include a clause stipulating their compliance with this **Statement of Guiding Principles** for

Fundraising and with any legal requirements that apply;

14. Ensure that appropriate training, education and information is available to fundraisers to enable them perform their roles effectively;
15. Be generally responsible to explain to the public how fundraising is organised and to help educate the public about the realities of resourcing charitable organisations. Where specific questions are received these should be answered openly and honestly. The principle of informing the charity in advance and adhering to these standards will be highlighted as much as possible by the organisation.

Board/Trustee and Senior Management Responsibility

The ultimate responsibility for meeting the standards of the **Statement of Guiding Principles for Fundraising** lies with the charity's Board or Trustees and through them with the senior management of the charity. The Board/Trustees and Management are responsible for ensuring that their charity is able to and does fulfill its commitment to best practice in fundraising.

The Board/Trustees and Management of the charity are accountable for the charity's fundraising activities as follows:

1. By promoting the existence of the **Statement of Guiding Principles for Fundraising** and other relevant Codes to the public, donors and supporters;
2. By ensuring a feedback mechanism is in place whereby anyone can comment on the fulfillment of the standards outlined in the Statement;
3. By ensuring that the charity's commitment to best practice in fundraising is communicated in all public policy statements by stating same in relevant public communications (annual reports, website, policy statements, governance documents, leaflets and communication materials etc);

4. Where relevant by putting in place training and development opportunities for relevant staff and volunteers;
5. By ensuring that all relevant suppliers and contractors are informed about and contracted to adhere to the standards in the Statement in their fundraising work for the charity;
6. By assessing the charity's fundraising strategy on a regular basis according to the guiding principles of this Statement;
7. By including reference to adherence to the Statement in the guiding principles of the charity;
8. By ensuring that senior management take responsibility for implementing and adhering to the Statement;
9. By being open to the charity engaging in setting sector standards, including feeding back their experience on these standards and participating in the development of future standards;

Fundraising exists only to support the overall mission of the charity in question. Therefore the Board/ Trustees and Management of the charity are accountable to the organisation's beneficiaries, service users, clients, donors, funders, volunteers and staff for the charity's overall performance. The Board/ Trustees and Management shall therefore ensure:

1. That the activities of the organisation are focused on achieving the objectives set out in the organisation's charter, and that these are translated into a vision, policy, strategies and budget;
2. The organisation's expenditure is handled in a transparent, effective and efficient manner, in line with an agreed annual plan and budget, and according to a predetermined process for evaluating and taking decisions on the allocation of funds;

3. Fundraising is handled in a transparent, effective and efficient manner, in line with an agreed plan and according to methods that are deemed socially acceptable;
4. The organisation has adopted a policy for activities involving volunteers, including their relationship and communications with volunteers and the method of managing volunteers;
5. The organisation has the means to adequately control the way it functions and to alert it to, and to cope with, any risks in good time.

Honest Communication

Communications between the charity, the public and potential donors shall be governed by the following guiding principles:

1. There shall not be any incidence of misleading and/or ambiguous information in any of the charity's fundraising communications;
2. It shall be made clear at all times as to whether the fundraising in question is for the organisation in general or for a specific purpose. Where examples are mentioned in relation to the general purpose of the organisation, they shall be clearly highlighted as examples. There must be a close relation to those examples that are used and the actual cause for which the organisation is collecting;
3. The organisation's name, logo, address, telephone numbers, web address and charity registration number, as well as its general purpose, shall always appear on fundraising material;
4. Where more than one organisation is collecting together, the names, logos, addresses, telephone numbers, web addresses and charity registration numbers of all organisations must appear on the material in question and must be made known to the donor or prospective donor;
5. Donors or prospective donors must be made aware if fundraisers are employees of the organisation or are third party agents;

6. In the case of personal approaches in a public place, where the prospective donor is not known to the fundraiser, the fundraiser shall carry visible identification which includes the organisation's name, logo, telephone number and charity registration number, as well as the name of the fundraiser, so that the donor will never be in doubt about the organisation s/he is donating to;
7. In the case of telemarketing, the individual fundraiser must inform the prospective donor of the organisation's name, as well as be in a position to disclose the name of a contact person in the organisation;
8. At all times in the case of face-to-face, door-to-door and telemarketing fundraising, the individual fundraiser shall be able to state the purpose for which the funds will be used. In the case of face-to-face and door-to-door fundraising, this can be in the form of printed material that is given free of charge at the request of the prospective donor;
9. In the case of face-to-face, door-to-door and telemarketing fundraising, the individual fundraiser should have a general knowledge about what the organisation works for. It is not required that the individual fundraiser possesses a detailed knowledge about projects, governance or administration etc but s/he must be able to inform the prospective donor of where they can find the supplementary information;
10. Particular care must be taken when fundraising from children and young people;
11. Compliance with data protection legislation in the Data Protection Acts 1988 and 2003 (and any future Acts) and the guidelines issued by the Data Protection Commissioner relating to direct and inter-active marketing, including direct mail, telemarketing and fax, SMS text etc shall be followed at all times;

12.If it is not intended that collected items such as clothing or other articles be sent directly to the clients or beneficiaries of the organisation but for example are to be sold instead, this must be made clear to the donors;

13.Where all of the proceeds of an event are not going to the cause/charity this should be made clear in the language used;

14.In the case of a project reaching the maximum requirement of funds, then the organisation and its fundraiser(s) shall clarify what any eventual surplus will be used for;

15.In the case of the charity being in receipt of funds restricted to certain purposes or projects and where the charity cannot realistically apply the funds within a reasonable timeframe to that purpose or project, the charity may allocate those funds to a purpose as close as possible to the original intended purpose. This change should

be communicated to donors generally, and, where practical the specific donor or donors (or their designates) should be informed.

Images and Messages

Best practice in communications affects the entirety of the organisation, and not just fundraising. Accordingly, in all public communications and where practical and reasonable within the need to reflect reality, the following principles shall be applied:

1. Choices of images and messages used in fundraising communications will be made based on the paramount principles of respect for the dignity of the people concerned and a belief in the equality of all people. The charity will strive to choose images and related messages based on values of respect and equality, and to truthfully represent any image or depicted situation both in its immediate and in its wider context;

2. The charity will avoid images and messages that potentially stereotype, sensationalise or discriminate against people, situations or places. The charity will use images, messages and case studies with the participation and permission of the subjects (or the subjects' parents / guardian);
3. The charity will ensure that, where possible, those whose situation is being represented have the opportunity to communicate their stories themselves;
4. The charity will, where possible, establish and record whether the subjects wish to be named or identifiable and always act accordingly;
5. The visual images chosen to represent a fundraising project or campaign will be consistent with the other messages about the project;
6. All promotional material shall be presented as clearly and accessibly as possible, following appropriate best practice guidelines;
7. The fundraiser will be familiar with the standards and guidelines of the Advertising Standards Authority which stipulates that all communications should be legal, decent, honest and truthful.

Financial Accountability

Financial accountability goes to the heart of transparency and is a dimension of fundraising and charity management that is understandably of great public interest. It is reasonable to expect that when charity regulation is in place the regulator's remit will focus considerably on financial accountability. At the moment, some charities voluntarily apply financial reporting standards, namely the Charities Standard of Recommended Practice (Charities SORP). Charities that are companies limited by guarantee must comply with company law and some unincorporated charities voluntarily comply with those standards.

As part of financial accountability and in preparation for the proposed legislation, charities that are not companies limited by guarantee should consider applying the following financial reporting standards:

1. The charity must produce an Annual Report and a Statement of Annual Accounts;⁷ it must be made publicly available every year. The draft Bill proposes publication within ten months of year-end;
2. The Annual Report and the Statement of Annual Accounts shall give a summary overview, and depending on the nature of the work, may contain information where applicable about the previous year's development, with regards to:
 - Significant income and expense items

⁷ It is a requirement of the Revenue Commissioners that charities with an annual income of €100,000 or above must have audited accounts and this audit threshold is also applied in the Charities Bill 2007. There is provision in the Charities Bill 2007 that charities below this threshold will not be obliged to have fully audited accounts but will have to have their accounts examined by an independent person approved by the Regulatory Authority.

- Significant balance sheet items
 - Number of members of staff and of volunteers
 - Number of local, national or international activities, including a representative indication of the types of activities carried out
 - Number of paid subscribers / members
 - Identify salaries, rental costs and any other significant operating expenses
 - Other significant key figures;
3. In relation to the Annual Report and the Statement of Annual Accounts, management shall be in a position to clarify the accounting practices detailed therein;
 4. Any contributions from parent organisations, collaborative partners or public grants shall be disclosed in the Annual Report and in the Statement of Annual Accounts;
 5. Any contribution which may be construed to have the potential to influence the independence of the organisation's decision making shall be disclosed in the Annual Report and in the Statement of Annual Accounts;
 6. The charity should be in a position, on request, to provide net income figures for their major public fundraising events;
 7. If terms such as "Fundraising in full goes to..." or "All monies raised go to..." have been used in a charity's fundraising campaign, those funds must be accounted for separately by the charity;
 8. The charity shall make a statement on its application of the Statement of Guiding Principles for Fundraising, either confirming that it has complied with the Statement's principles, or, where it does not, providing an explanation.

Monitoring and Compliance

To be meaningful the standards must be actively monitored and any cases of non-compliance addressed promptly and proportionally.

The feasibility study is recommending that a Monitoring Group, made up of the charities sector with a majority of independent members and an independent chairperson, should be established to actively monitor usage of the Codes of Good Practice and to deal with complaints.

In the context of the establishment of a Monitoring Group the following approach is recommended:

1. Each charity should establish a complaints procedure. Complaints from the public or donors on the operational aspects of fundraising should in the first instance be addressed to and investigated by the charity involved.
2. Where a complainant is not satisfied with the charity's response to their complaint, they may take the complaint to the Monitoring Group, who will investigate the complaint and propose remedial action.

Useful Reference Points⁸

Organisations

Office of the Revenue Commissioners,
Charities Section
Office of the Attorney General
Existing charities legislation
An Garda Síochána
Department of Community, Rural and
Gaeltacht Affairs
Companies Registration Office
Commissioners of Charitable Donations and
Bequests for Ireland
The Valuation Office
Director of Corporate Enforcement
The Equality Authority
The Probate Office
Data Protection Commissioner
Ombudsman for Children

Contact Details

www.revenue.ie

www.attorneygeneral.ie
www.irishstatutebook.ie
www.garda.ie
www.pobail.ie

www.cro.ie
www.pobail.ie

www.valoff.ie
www.odce.ie
www.equality.ie
www.courts.ie
www.dataprotection.ie
www.oco.ie

⁸ This is an indicative list only.

Other Codes of Conduct

Dóchas' Code of Conduct on Images and Messages

Irish Fundraising Forum for Direct Recruitment's Code of Practice

Institute of Fundraising (UK)

ISOBRO (Denmark) Ethical Guidelines for Fundraising

International Non Governmental Organisations' Accountability Charter

American Association of Fundraising Counsel's Donor Bill of Rights

German Central Institute for Social Issues' Guidelines and Implementing Instructions

The International Committee on Fundraising Organizations' International Standards

VFI (Dutch Association of Fundraising Organisations) Code of Good Governance for Fundraising Charities

Contact Details

www.dochas.ie

www.iffdr.org

www.institute-of-fundraising.org.uk

www.isobro.dk

www.ingoaccountabilitycharter.org

www.aafrc.org

www.dzi.de

www.icfo.de

www.vfi.nl

Members of Working Group

| Name | Organisation |
|----------------------------|---|
| Siobhán McGee ⁹ | Fundraising Consultant & Centre for Nonprofit Management, Trinity College |
| James Howe | Concern |
| Mark Mellett | Focus Ireland |
| Thora Mackey | UNICEF Ireland |
| Joan Ward | Roscommon Home Services |
| Catriona Hogan | Cork Counselling Services |
| Judy Dunne | The Consumers Association of Ireland |
| Lillian Sullivan | The Alzheimer Society of Ireland, Limerick branch |
| Niamh Sheeran | Niamh Sheeran & Associates – Fundraising Consultants |
| Liam Manning | Saint Vincent de Paul Society, Dundalk area |
| Geraldine O’Sullivan | Kerry Volunteer Centre |

⁹ Siobhán McGee was contracted by ICTR to lead the process between July and December 2007. Other members of the Working Group took part on a voluntary basis.

Steering Committee Members

A Steering Committee was established to oversee the research study and approve the outputs. The members were chosen for their expertise and served on the Steering Committee in a personal capacity.

| Name | Organisation |
|--------------------|---|
| Andrew O'Regan | Centre for Nonprofit Management, Trinity College Dublin |
| Caitriona Fottrell | The Ireland Funds |
| Freda Donoghue | Centre for Nonprofit Management, Trinity College Dublin |
| James Cassidy | (previously Irish Cancer Society) |
| Mary Moorhead | The Mater Foundation |
| Niamh Sheeran | Niamh Sheeran & Associates – Fundraising Consultants |
| Oonagh Breen | School of Law, University College Dublin |
| Paddy Maguinness | Niall Mellon Township Trust |
| Philip Smith | Arthur Cox Solicitors |
| Richard Dixon | Concern |
| Siobhán McGee | Fundraising Consultant & Centre for Nonprofit Management, Trinity College |
| Teresa Harrington | PricewaterhouseCoopers |
| Sheila Nordon | Irish Charities Tax Research Ltd |
| Peter Cassells | Independent consultant and Chair of the National Centre for Partnership and Performance |

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