

Code of Fundraiser's Relationships with Donors

The purpose of the Code of Fundraiser's Relationships with Donors is to give a member of FINZ who is a fundraiser or a director of an organisation a guide to make clear and consistent decisions regarding the acceptance and refusal of a donation from a donor.

Irrespective of any internal delegation procedures within an organisation, ultimate responsibility in respect of the acceptance and refusal of donations rests with an organisation.

1. To whom does this Code apply?

- 1.1 This Code applies to FINZ members. FINZ can only monitor this Code and enforce it if necessary against FINZ members.
- 1.2 FINZ encourages directors and fundraisers of organisations who are not members of FINZ to adopt the Codes and Standards of Fundraising Practice. FINZ also encourages organisations to engage directors and fundraisers who have adopted the Code and Standards of Fundraising Practice.

2. Definitions

Beneficiary	means any person or entity which receives a benefit from an Organisation in pursuance of the Organisation's objects.
Child or Children	means a child under the age of 18.
Company	means an entity incorporated under the Companies Act 1993 and established for the purpose of profit.
Complaint	means a notice in writing sent by any person to FINZ, by way of a completed FINZ Complaints form, concerning an alleged breach by an FINZ member of any part of the FINZ Codes and Standards of Fundraising Practice.
Director	means a person who is appointed or elected to the position of a director of an organisation or a company.
Donation	means a voluntary contribution by a donor of money, property, goods or services to an organisation for the purpose of furthering that organisation's objects. It does not include a sponsorship or community business partnership.
Donor	means an individual or other entity that makes a contribution of value to an organisation to further the organisation's objects. A donor includes prospective donors and an individual or entity that has previously made a donation. A donor does not include an individual or entity that engages with an organisation for the purpose of trade.
Ethics Committee	means a committee established by the FINZ Council pursuant to the constitution for the purposes of making determinations on complaints.
FINZ	means Fundraising Institute of New Zealand.
FINZ member	means a person or organisation who is registered as a FINZ member.

Fundraiser	means a person, company or organisation, who carries out activities, whether for remuneration or as a volunteer, for the purpose of raising donations for the objects of an organisation.
Fundraising Activity	means an activity carried out by a person, company or organisation, whether for remuneration or as a volunteer, for the purpose of raising funds for the object of an organisation.
Objects	means the objective, purpose or cause, however so defined in an organisation's constituent documents.
Organisation	means an entity incorporated under New Zealand legislation and established for a purpose other than profit.
Professional Misconduct	means conduct by a FINZ member that is a violation of the Codes and Standards of Fundraising Practice that has serious adverse consequences to a complainant or was committed intentionally by the fundraiser or both.
Promotional Material	means any material in connection with a donation, fundraising activity or an organisation whether in printed, electronic or verbal form made available by a fundraiser or organisation to any person.
Sponsor	means a third party who sponsors a fundraising activity for an agreed outcome.
Supplier	means a third party supplying goods or services for payment to a fundraiser and/or organisation.
Tax	means all taxes payable in connection with a fundraising activity, including without limitation income tax, pay as you earn (PAYE) and goods and services tax (GST).
Trade Mark	means a word or group of words, logo, image, colour, scent or shape (whether registered or unregistered) used by an organisation to identify the organisation.
Unsatisfactory Conduct	means conduct by a FINZ member that is neglectful of the Codes and Standards of Fundraising Practice or that has minor adverse consequences to a complainant or both.
Volunteer	means a person who performs a service for an organisation without requiring compensation for performing the service.

3. Establishing a policy on the acceptance or refusal of a donation: what directors must consider

3.1 To the extent that they are empowered to do so, a director must ensure that the organisation for whom they serve as a director develops and approves a policy under which the organisation may accept or refuse a donation from a donor.

3.2 In developing and approving such a policy, a director may consider:

- a) this Code of Fundraiser's Relationships with Donors;
- b) the objects of the organisation;
- c) the mission (no matter how defined) of the organisation;
- d) compliance of the policy with any legislation;
- e) Directors' legal obligations to the organisation;
- f) the reputation of the organisation and adverse reaction from existing or potential donors.

3.3 To the extent that they are empowered to do so, a director must ensure that the organisation maintains a written policy authorising delegation of authority to accept or refuse a donation to volunteers or staff of the organisation. Such a policy for delegation of authority must include:

- a) the position of the person to whom that authority is delegated;
- b) the extent of that delegation, such as whether the delegation applies to large and small donations or separate classes of donations.

4. What must a Fundraiser consider before they accept or refuse a donation?

4.1 A decision by a fundraiser to accept or refuse a donation must comply with a policy on the acceptance or refusal of a donation approved by the organisation for whom they serve.

- 4.2 A fundraiser must ascertain whether a policy on the acceptance or refusal of a donation has been approved by the organisation for whom they serve.
- 4.3 A fundraiser must:
- a) ascertain the extent of their authority to accept or refuse a donation;
 - b) ascertain the process for referral where their authority is exceeded with the organisation for whom they serve.
- 4.4 A fundraiser must not allow personal, political or commercial interests, or personal views on political or ethical issues to affect their decision to accept or refuse a donation.
- 4.5 A fundraiser must derive no personal material benefit from a donation received by their organisation.
- 4.6 A fundraiser must decline any personal material benefit offered by a donor in relation to a fundraising activity. Where the fundraiser has a personal or commercial relationship with a donor which existed before the donation was sought, and has accepted a personal material benefit arising from that personal or commercial relationship, FINZ may take this into account on a case by case basis if the matter is referred to FINZ for review under the FINZ Complaints Process.
- 4.7 On the basis of the evidence available to them, a fundraiser must consider whether the objects of an organisation will be best met by accepting or refusing a donation and decide accordingly.
- 4.8 A fundraiser must be able to demonstrate that the evidence they used to form their decision to accept or refuse a donation addressed the objects of their organisation. In particular, a Fundraiser must demonstrate evidence where:
- a) it is not immediately clear what objects will be addressed with the proposed donation;
 - b) large sums of money or property are involved;
 - c) there is reason to believe that a decision taken by a fundraiser may expose the organisation to litigation;
 - d) there is the threat of negative publicity to the organisation by the refusal or acceptance of a donation.

4.9 A fundraiser may accept a donation for a specific activity conducted by the organisation provided that that specific activity is:

- a) directly related to the organisation's objects; and
- b) is practically achievable by the organisation.

4.10 Despite anything else in this section, a Fundraiser may refuse a donation for an organisation where it is clear that:

- a) the activities of a donor are directly opposed to the objects of the organisation, the publicly available policies of the organisation or to the beneficiaries of the organisation;
- b) the activities of a donor are incompatible with the objects of the organisation;
- c) the cost to the organisation of accepting a donation will be greater than the value of the donation itself;
- d) acceptance of the donation will directly lead to a net decline in the asset base of an organisation;
- e) the offer of a donation is dependent upon the fulfilment of certain conditions by the organisation, where the conditions are:
 - (i) contrary to the taxation status of the organisation regarding receipt of a donation (if any);
 - (ii) in itself, contrary to the objects of the organisation;
 - (iii) in itself, contrary to the current policies or work priorities of the organisation;
 - (iv) requires the organisation to first spend its own money or resources.

5. Fundraiser's Promise to inform Donors

- 5.1 Where a donor so requests, they have the right to be informed of:
- a) the objects of an organisation for whom the fundraiser represents;
 - b) the intended use of a donation;
 - c) the capacity of the organisation for whom the fundraiser represents to use a donation for its intended use;
 - d) whether the fundraiser is engaged either as a volunteer, employee or contractor of the organisation;
 - e) whether or not the fundraiser is a member of FINZ;
 - f) the means to access an organisation's most recent annual report;
 - g) how to apply to see their records held by an organisation and challenge its accuracy;
 - h) how to lodge a complaint under the FINZ Complaints Process;
 - i) the existence or otherwise of an organisation's privacy policy requiring that a donor's contact details are maintained in accordance with the requests of the Privacy Act 1993;
 - j) whether the organisation will consider its objects and capacity to use a donation.
- 5.2 As far as it is reasonably within a fundraiser's power, a fundraiser must ensure that a donor receives a prompt answer to questions regarding information listed in this section.
- 5.3 A fundraiser may inform a donor under this section verbally or by the use of promotional material supplied by the organisation which they represent.

6. Fundraiser's Promise to acknowledge Donors

- 6.1 A fundraiser must provide a donor with a written receipt of their donation in accordance with the Income Tax Act 2007.

- 6.2 A fundraiser must ensure a donor has given prior approval before any recognition of their donation is made public.

7. Fundraiser's Promise to respect Donors

- 7.1 A fundraiser must ensure that:
- a) a donor is not subjected to undue influence, harassment, intimidation or coercion when approached by a fundraiser for a donation;
 - b) a donor is advised to seek independent advice where a fundraiser has reason to believe that a donation may affect the donor's financial position, taxable income, or relationship with family members.
- 7.2 A fundraiser must comply with a donor's request to:
- a) refuse to make a donation;
 - b) limit to a certain amount, the frequency of solicitations by the fundraiser to the donor;
 - c) not be solicited by mail, phone or other technology;
 - d) not receive printed material concerning an organisation.

8. Compliance and Management of Complaints

- 8.1 A director and a fundraiser must comply with:
- a) the Fair Trading Act 1986, in particular those sections relating to unconscionable conduct, misleading and deceptive conduct and false and misleading representations;
 - b) anti-discrimination legislation regarding decisions based on race, sex, marital status, disability or religious belief, in particular the Human Rights Act 1993 and the New Zealand Bill of Rights Act 1990;
 - c) the Privacy Act 1993.
- 8.2 The organisation and the fundraiser should ensure that the organisation complies with any legislative restrictions on who may give financial and taxation advice to members of the public.

- 8.3 Complaints concerning the Codes and Standards of Fundraising Practice or the conduct of a FINZ member will be determined by the FINZ Ethics Committee in accordance with the FINZ Complaints Process.

APPENDIX 1

Sample Sponsorship Policy

This policy is provided for the guidance of Fundraisers and Organisations as an example of issues which need to be considered when formulating policy.

Purpose of Policy

1. Set out the criteria and decision making process for sponsorships of XXXX activities.
2. Balance XXXX reputation management with awareness raising and revenue generation.

Overall Policy

1. XXXX may solicit and accept sponsorships for events, programmes and operations within the terms outlined below.
2. Sponsorship monies are deemed a desirable form of revenue diversification, which allows XXXX to keep services and events affordable.
3. XXXX may consider in kind, indirect and monetary sponsorships.

Who to accept

Only individuals and organisations whose image, product or services align with XXXX, vision, purpose or values maybe considered as sponsors. There is no obligation to accept any sponsorship offer. XXXX long-term reputation and credibility always takes precedence over short-term monetary needs.

While each potential sponsorship agreement will be considered on its merits, judgement and discretion will characterise the decision making. The following set of questions are always to be raised:

- Would this association be a good fit with XXXX image?
- Does the sponsorship conflict with our values?
- Does the sponsorship suit our overall strategy?
- Will this sponsorship help us realise our goals?

Ethical filters that help determine a desirable sponsor are:

- Respectful collaboration – including our concept of ‘culture’, gender, sexual identity, race, religion and place of origin.
- Biculturalism, honouring the status of Maori as Tangata Whenua in Aotearoa.
- Protection and treatment of workers.
- Environment and health.
- Disclosure and accountability.

Benefits and Recognition

Operational and programme sponsors shall be recognised in ongoing ways such as web site, member communications, and literature related to the sponsored programme. Recognition is limited to display of the sponsor’s logo, a few words of description and a link to the sponsor’s web site. Additional recognition such as use of product names, banners, advertisements or special promotions shall involve the provision of additional resources to XXXX.

Event sponsors shall only be recognised in connection with the event, which may include any advance publicity, programmes, XXXX web announcements, event signage, oral thanks, etc. Events accepting more than one sponsor may assign recognition levels depending on amount or amount range. This may be done by linking sponsors directly to a portion of the event, e.g. reception, or by identifying levels (e.g. platinum, gold, silver, and bronze).

Programmes and events may be named after sponsors providing 75% or more of XXXX total related costs including overhead. Such naming shall always be time limited and require advance Board approval.

Sponsors wishing to promote their support of XXXX may use the name, logo and URL in accordance with contract terms regarding advance approval of the specific content and wording from XXXX. In the absence of a signed contract, sponsors may not use the XXXX name or logo in any public material. Any unauthorised use makes the existing sponsorship agreement void and disqualifies the organisation from further XXXX sponsorship until and unless the Board determines that eligibility has been restored.

Terms

All sponsorship agreements shall be confirmed in writing by XXXX and co-signed by the sponsor's representative. The agreement shall be directly with the sponsoring company, not with any agent or broker. XXXX shall draft an agreement consistent with the size and scope of the sponsorship. In most cases a short letter with sign-back will be sufficient.

Even short agreements shall include a clarification of the planned use of the support, minimum recognition the sponsor shall receive and the need to have any use of each other's logos approved in advance.

Sponsorships exceeding a single event or action shall be confirmed by contract. In addition to the items stated above, the contract shall clarify relevant aspects of:

- When the sponsor will provide payment, or make any promised goods or services available.
- Who will be the main contact(s) for each party?
- Any interim or final reporting agreed upon.
- How the agreement shall be monitored and when it is to be reviewed.
- When the agreement terminates, and the effects of early termination.
- Any minimum or maximum sponsorship amount, and how that is determined, and any exclusivity commitment
- How any failure to meet commitments will be handled (e.g. what happens if the event is cancelled)

APPENDIX 2

Sample Fundraising Policy

This policy is provided for guidance of Fundraisers and Organisations as an example of issues which need to be considered when formulating policy.

General Policy

All fundraising efforts must reflect and relate to the Vision, Purpose and Values of XXXX.

Definition

Fundraising is defined as any effort to raise money, collect goods or services or sell a product on behalf of XXXX.

Responsibility

Fundraising efforts are the responsibility of XXXX. Every fundraising effort by other members of staff must be done in consultation with the Fundraising Manager and approved of by the XXXX CEO.

Ethical Fundraising

All solicitations conducted by XXXX will be conducted in a manner that is both ethical and professional adhering to the Code of Conduct and Code of Ethics of the Fundraising Institute of New Zealand.

Use of Donations and Grants

All donations and grants received will be used for the stated purpose for which they were given and accepted.

Fundraising staff will record, receipt and acknowledge all donations and grants.

Fundraising staff in association with appropriate staff will meet all reporting requirements associated with grants and donations.

Acknowledgment of grants and donations will be prompt and appropriate.

Recognition of grants and donations by XXXX will be according to organisational fundraising procedures.

Rejecting Gifts

XXXX reserves the right to decline any gift or sponsorship.