

Standard of Grants Fundraising Practice

The Standard of Grants Fundraising Practice provides practical guidelines for FINZ members for best practice and ethical conduct of fundraising practice for fundraisers and organisations making applications for grants from a fund or organisation.

This standard must be read in context with FINZ's Codes of Fundraising Practice, including the Code of Ethics and Professional Conduct, Fundraiser's Relationship with Donors and the FINZ Complaints Process.

For the assistance of FINZ members, Appendix 1 sets out a model procedure for applying for a grant.

Note that information in the Appendix is included for the guidance of FINZ members and is not intended to be a substitute for FINZ members' own inquiries.

1. To whom does this standard apply?

1.1 This standard applies to FINZ members. FINZ can only monitor this standard and enforce it if necessary against a FINZ member.

1.2 This standard does not replace nor override the applicable New Zealand legislation.

2. Ethical considerations when applying for a grant

2.1 A fundraiser must not hold financial interests which conflict with their duties for the organisation they represent.

2.2 A fundraiser must not engage in financial transactions using confidential information acquired in the course of applying for a grant or allow the improper use of such confidential information to further any private interest.

2.3 When applying for a grant, a fundraiser must not offer to fund any gift of monetary value from any person or entity.

2.4 A fundraiser must not make express or implied public statements to the effect that an organisation will obtain a grant as a result of the fundraiser's application until the outcome is announced by the fund.

2.5 A fundraiser must not accept remuneration based on a percentage of the amount of the grant awarded to an organisation. However, fundraisers may accept remuneration based on a reasonable commission or bonus that is not related to the amount of the grant awarded.

2.6 A fundraiser must not make grant applications that contain material that is illegal, discriminatory or unethical.

2.7 A fundraiser must not make grant applications that misrepresent the organisation in any way, including without limitation, the name, geographical scope, beneficiaries, activities and plans of the organisation.

2.8 A fundraiser must comply with FINZ's Principles of Fundraising Practice and this standard at all times and should only work with organisations that comply with FINZ's Principles of Fundraising Practice and this Standard.

3. Guidelines for applying for a grant

3.1 These guidelines are included for the assistance of fundraisers. However, fundraisers should rely on their own skill, experience and expertise in applying for a grant.

3.2 A fundraiser must consult with the management of the organisation to ensure the proposed grant application is in full accord with the current strategic and financial directions of the organisation.

3.3 The grant seeking organisation should confirm the cost effectiveness of the grant before making application.

3.4 The grant procedure should include the following criteria:

- a) planning;
- b) administration;
- c) evaluation and/or accountability

3.5 Appendix 1 sets out a model grant procedure for the guidance of fundraisers and organisations.

4. Planning a grant

4.1 A fundraiser should comply with the key steps to make a grant application which are:

When applying for a grant,

- a) establish a proposal consistent with the objects of the grant seeking organisation, including the objectives, the rationale and the expected results;
- b) prepare a budget in accordance with section 5, or supply quotes or evidence of costs;
- c) ensure before submission that the conditions of the grant are able to be met.

After the award of a grant,

- d) it is good practice to acknowledge and/or thank the funder on receipt of the grant;
- e) write a report for the grant making organisation or fund about the grant, evaluating the outcomes set for the grant and including any information required by the grant making organisation or fund for the acquittal of the grant.

4.2 A fundraiser should not make grant applications that:

- a) do not meet the guidelines for the grant application (the fundraiser may wish to clarify whether the project fits within the funding parameters of the grant making organisation if this is not completely clear);
- b) are made to a fund or organisation whose objects are not consistent with the objects of the organisation represented by the fundraiser, to avoid making grant applications which will not be considered.

4.3 If the grant making organisation requires the fundraiser to enter into an agreement, the fundraiser must comply with the requirements of the agreement, subject to section 5 of this standard, which prevails in the event of a conflict.

5. Budget

5.1 A fundraiser must either set a budget or provide evidence of costs satisfactory to the grant making organisation before making the application for a grant.

5.2 A fundraiser must ensure that all expenses incurred in the budget are lawful and comply with FINZ's Code of Ethics and Professional Conduct.

5.3 A fundraiser must seek appropriate advice and comply with:

- a) recognised accounting standards of practice;
- b) reporting, record keeping and payment requirements of the Inland Revenue Department;
- c) FINZ's Code of Ethics and Professional Conduct.

6. Promotional materials

6.1 A fundraiser must ensure that any promotional material used:

- a) is factually accurate, truthful and not likely to deceive or mislead any person;
- b) identifies the organisation for which the promotional material will be distributed;
- c) identifies the objective of the organisation or fund;
- d) complies with the Fair Trading Act 1986, (in particular those sections relating to misleading and deceptive conduct and false and misleading representations);
- e) is approved by the organisation or fund.

6.2 Where a fundraiser discloses a cost of fundraising in promotional materials, that cost must be factually accurate.

6.3 A fundraiser must make the current annual report of an organisation they represent freely available upon a reasonable request.

7. Use of Logos and trade marks

7.1 If the fund or organisation has a trade mark associated with or used in connection with it, the fundraiser must ensure that the fund or organisation has given permission for the use of the trade mark and take all reasonable steps to prevent its unauthorised use by third parties including suppliers or the media. The use of the logo should only be for the period relevant to the grant.

8. Compliance and management of complaints

8.1 FINZ must comply with FINZ's Codes & Standards of Fundraising Practice and relevant legislation including the Fair Trading Act 1986 and the Privacy Act 1993.

8.2 Complaints concerning this standard or the conduct of a FINZ member will be determined by the FINZ Ethics Committee in accordance with the FINZ complaints process.

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 a 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 who is registered as a FINZ member.

Fund means a gift or trust fund:

- a) to which donations of money or property are made for the principal purpose of a trust; and
- b) to which any money received by the trust because of those donations is to be credited. This definition includes but is not limited to the prescribed private fund.

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.

Grant means an award of money made to an organisation by a fund after assessing the organisation's application for a grant.

Objects means the objective, purpose or cause, however so defined in an organisation's constituent documents.

Organisation means an entity incorporated under either the Incorporated Societies Act 1908 or the Charitable Trusts Act 1957 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.

Trust means a trust established under a trust deed.

Trust Deed means the written document which establishes a trust.

Trustee means the person named in the trust deed as the trustee and any other person appointed as a trustee from time to time.

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.

Appendix 1 Model Procedure for applying for a Grant

Planning

1. Identify the amount of funds the organisation wants to raise, how and from whom?
2. Draft a timetable for the application.
3. Construct a budget for the grant proposal.
4. Develop a specific application plan for the grant proposal.
5. Obtain approval for plan from the organisation's management

Administration

1. Obtain the guidelines for the grant.
2. Use appropriate systems for accounting.
3. Promotional Material – organise design and printing.
4. Prepare application.

Evaluation

1. Evaluate outcomes set for the grant.
2. Report in writing to the organisation about the grant and the evaluation of the grant.

Based on "Key elements for a special Event " in Wendroff, A (2004) Special Events; proven strategies for nonprofit fundraising (2nd ed.), John Wiley & Sons Inc, Hoboken, New Jersey, p. 37

The Grant Seekers Guide

Trust Waikato has published *The Grant Seekers Guide*, an easy to use reference book to help people seeking funding. This excellent resource can be found www.trustwaikato.co.nz