

Standard of Payroll Giving Fundraising Practice

The Standard of Payroll Giving Fundraising Practice provides practical guidelines to FINZ members on best practice for conducting payroll giving and matched giving fundraising activities nationally, within an ethical framework, whether organised directly by a fundraiser or organisation or through a supplier contracted to an organisation.

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

For the assistance of FINZ members, Appendix 1 outlines the benefits to both the organisation and the company in a successful payroll giving partnership. 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. Setting up a payroll giving fundraising activity

- 2.2 A fundraiser will liaise with the company to set up the fundraising activity.
- 2.3 The company may choose which organisations it wishes its donors to support in consultation with its donors and the fundraiser.

- 2.4 Donors may choose which organisation they wish to support. Organisations wishing to take advantage of payroll giving must have donee status with Inland Revenue Department.
- 2.5 Donors may specify the amount they wish to donate from each pay. If the company specifies a minimum donation amount, the fundraiser should ensure that the donors are informed that this is the minimum amount they are required to donate.
- 2.6 Companies may specify a minimum donation amount for donors and a minimum period for making donations to minimise administrative costs.
- 2.7 The donors' personal information about their identity, their donations and the organisations to whom they donate are protected under the Privacy Act 1993 and must not be disclosed to a third party without the consent of the donor.
- 2.8 Appendix 1 sets out an outline of benefits in a successful partnership between a company and an organisation. This is a guide only included for the assistance of fundraisers and is not intended to be a substitute for the fundraiser's own plan.

3. Management of payroll giving

- 3.1 Some modern payroll systems can facilitate workplace giving. Donations are withheld from the donor's pay before tax is deducted. The company's payroll officer processes the deductions, according to Inland Revenue guidelines.
- 3.2 The organisation may provide a receipt to the company for the donations. Fundraisers should be aware that the company may not claim a tax deduction for employee donations but may claim a tax deduction for matched giving provided that the company meets New Zealand Inland Revenue requirements.
- 3.3 The fundraiser should ascertain whether the company's accounting system is able to perform the following tasks:
 - a) create payroll giving records for each donor,
 - b) keep a running total of payroll giving donations;
 - c) show total deductions on the donor's PAYE statement;

- d) track the number of donors in a company;
- e) track the amount of donations from donors in a company.

4. Management of matched giving

- 4.1 The company should establish a procedure to identify total donations in order to calculate company contributions under a matched giving fundraising activity.

5. Consent to withholding of donations

- 5.1 Before commencing donations, a fundraiser should ensure that companies require donors to complete a form with the following information:
 - a) the donor's written consent to the withholding of the donation from the donor's pay;
 - b) the amount they wish to give;
 - c) how often they wish to give;
 - d) to which organisation they wish to give with its bank account details and/or postal address.
- 5.2 A fundraiser should ensure that donors are informed that they may change the amount or frequency or cancel the donations at any time and how to make such changes and access to any information held by the company in relation to their donation in compliance with the terms of the Privacy Act 1993.

6. Planning

- 6.1 Before the fundraising activity is implemented, a fundraiser should create goals for the fundraising activity including as a minimum:
 - a) the goals in relation to the donors;
 - b) how the donors might benefit (which may include donation options);

- c) how the organisation might benefit;
 - d) targets for the fundraising activity, based upon how many donors would sign up or the average level of gift that is achievable.
- 6.2 A fundraiser must ensure that the organisation has obtained Inland Revenue donee status.
- 6.3 A fundraiser should ensure that donors are informed about the organisation and its fundraising activities.

7. Promotion of payroll giving and matched giving

- 7.1 A fundraiser should provide information about the fundraising activity to the company. It is the decision of the company if it wants to commit to a payroll giving or matched giving fundraising activity and, if so, at what level it wants to commit.
- 7.2 When planning a fundraising activity, a fundraiser should ensure the following details are included:
- a) establish the objectives, the rationale and the expected results of the fundraising activity;
 - b) prepare a budget;
 - c) ensure that the organisation and company execute a written contract in relation to the fundraising activity;
 - d) create promotional materials in compliance with section 8 of this Standard to present a fair assessment of the fundraising activity.

8. Promotional materials

- 8.1 A fundraiser must ensure that any promotional material used to promote a payroll giving or matched giving fundraising activity:
- a) is factually accurate, truthful and not likely to deceive or mislead any person;

- b) identifies the organisation;
 - c) identifies the objective of the fundraising activity;
 - d) complies with the Fair Trading Act 1986 and the Privacy Act 1993 (in particular those sections relating to misleading and deceptive conduct and false and misleading representations);
 - e) is approved by the organisation before work commences on promoting the fundraising activity.
- 8.2 The promotional materials must provide donors with information on how payroll giving or matched giving works, details of the tax relief available and details of the fundraising activity;
- 8.3 Where a fundraiser discloses a cost of fundraising in promotional materials, that cost must be factually accurate.
- 8.4 A fundraiser must make the current annual report of an organisation for which they represent freely available upon a reasonable request by a donor.
- 8.5 Despite anything else in this section, companies and organisations are encouraged to use promotional materials as part of a positive campaign by a fundraiser to build public awareness, understanding and support for the objects of an organisation.
- 8.6 After promoting payroll giving or matched giving, fundraisers should ensure that the organisation monitors the level of contributions and regularly thanks both the company and donors for their generosity.

9. Use of logos and trade marks

- 9.1 If the fundraising activity or organisation has a trade mark, associated with or used in connection with it, a fundraiser must ensure that the 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.
- 9.2 If the company has a trade mark, associated with or used in connection with it, a fundraiser must ensure that the company 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.

10. Compliance and management of complaints

- 10.1 FINZ must comply with FINZ's Codes & Standards of Fundraising Practice and relevant legislation.
- 10.2 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 Board 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.
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.
Matched Giving Fundraising Activity	means a fundraising activity whereby companies match the amount of donations made by donors to organisations. Matched giving donations are paid by the company and are not deducted by a company's payroll office from salaries of employees.
Objects	means the objective, purpose or cause, however so defined in an organisation's constitutional 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.
Payroll Deduction	means a method of donation where the donor specifies an amount to be paid through periodic deductions from his/her salary.
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.
Payroll Giving (also known as Workplace Giving)	means a voluntary program in which donors can pledge to make regular donations to an organisation that has donee status. As the donation is made before tax is calculated on their pay, the employee receives an immediate tax deduction and is not required to obtain a receipt. The pre-tax donation is sent by the company to the donee organisation selected by the donor. To demonstrate support for the community and to encourage donors to participate in payroll giving, companies may choose to provide a level of employee donation matching.

Appendix 1

Benefits of a successful partnership between a company and an organisation.

	The staff	The organisation
Community Partner (Organisation)	<p>New skills</p> <p>Improved morale, self-esteem, feeling valued for day-to-day work</p> <p>Increased opportunities for development</p> <p>Increased knowledge of corporate world</p> <p>Increased opportunities to demonstrate/practice skills, for example provide training</p> <p>New relationships</p> <p>Expanded networks</p>	<p>Increased capability</p> <p>Ability to meet objectives sooner, more efficiently</p> <p>Better service delivery to clients</p> <p>Enhanced profile</p> <p>Valued more in community</p> <p>Opportunity for influence</p> <p>Better infrastructure, enabling focus to remain on 'core business'</p> <p>Opportunities for promotion of message</p>
Business partner (Company)	<p>Improved morale, self esteem</p> <p>Team spirit</p> <p>New skills</p> <p>Opportunity to 'give back'</p> <p>Increased knowledge of issues in the community</p> <p>Increased opportunities for example mentoring</p> <p>Opportunities for staff development</p> <p>Expanded networks</p> <p>Reduced risk</p>	<p>Stronger branding in the community</p> <p>Enhanced reputation</p> <p>More attractive to ethical/socially responsible investors</p> <p>Greater productivity</p> <p>More in touch with community needs</p> <p>Visible demonstration of values</p> <p>'Company of choice' , improved staff retention rates</p> <p>Stronger community as customer and Donor base</p> <p>Operating in enhanced corporate community</p>

The local community

1. Increased profile for the community;
2. Flow-on effects from partnership projects;
3. Improved capacity to find creative solutions to local problems

Table based on chart in “Fact sheet 3 - Community Business Partnership Benefits” in National Community Partnerships Week Kit, an Australian Government Initiative produced by the Prime Minister’s Community Business Partnership