

Standard of Charitable Gambling Fundraising Practice

The Standard of Charitable Gambling Fundraising Practice provides practical guidelines on best practice for conducting charitable gambling activities nationally and encouraging the practice of responsible charitable gaming within an ethical framework.

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 Relationships with Donors and the FINZ's Complaints Process.

If there is a conflict between the provisions of this standard and legislation, the legislation prevails.

Note that information in the Appendices is included for the guidance of FINZ members and is not intended to be a substitute for FINZ members' own inquiries. Appendix 1 sets out a model risk management plan for the guidance of FINZ members.

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. Planning a charitable gambling activity

2.1 Before undertaking a charitable gaming activity, a fundraiser should:

- a) determine the purpose of the charitable gambling activity;

- b) outline outcomes relation to donors;
 - c) identify a fair and reasonable return to be achieved by the charitable gambling activity.
- 2.2 Before undertaking a charitable gambling activity, a fundraiser must ensure they have been granted any approval or permit required for conducting a charitable gambling activity under the Gambling Act 2003. Information on Classes of Gambling and the requirements relating to these can be found on the website of the Department of Internal Affairs, www.dia.govt.nz
- 2.3 Fundraisers are referred to the model risk management plan in Appendix 1 for a guideline as to managing risk for a charitable gaming activity.

3. Promotional material

3.1 A fundraiser must not produce or distribute any promotional material that:

- a) encourages any breach of any legislation;
- b) depicts children participating in a charitable gambling activity;
- c) is false, misleading or deceptive or likely to be so; or
- d) suggests that winning is a guaranteed outcome of participating in a charitable gambling activity.

3.2 Fundraisers must ensure promotional material clearly states:

- a) permit or approval number for the charitable gambling activity (if applicable);
- b) price of the ticket or entry fee;
- c) eligibility requirements for entrants in the charitable gambling activity;
- d) name and contact details of the organisation that will benefit from the charitable gaming activity;
- e) name and address details of organising fundraiser;
- f) details of prizes and their value;
- g) time, date and location of draw or game and approval number or information for the premises on which the charitable gaming activity will be conducted (if applicable);
- h) how winners of the charitable gaming activity will be notified; i) how results of the charitable gaming activity will be publicised.

3.3 If a charitable gaming activity cannot be conducted as advertised, a fundraiser must make all reasonable efforts to:

- a) inform ticket holders or entrants of the cancellation; b) refund to ticket holders or entrants the price of tickets or entry.

4. Outsourcing Charitable Gambling

4.1 If a fundraiser or organisation enlists a supplier to conduct a charitable gambling activity on their behalf, they should ensure that the goals and aims of the supplier reflect those of the fundraiser and organisation.

4.2 A fundraiser must create a written agreement with the supplier detailing:

- a) which services the supplier will undertake on behalf of the fundraiser or organisation;
- b) how and when the supplier will be remunerated for its services;
- c) whether the supplier will be in possession of the proceeds of the charitable gambling activity at any point;
- d) when and how the proceeds will be disbursed to the organisation;
- e) how any disputes that may arise between the supplier, the fundraiser and the organisation will be resolved.

4.3 A fundraiser should ensure that a representative of the organisation is present at the charitable gambling activity.

5. Tickets and ticket sales

5.1 Tickets must be consecutively numbered. Different series of tickets must be marked by colour, number or other identifying symbol.

5.2 All tickets sold must display:

- a) permit number (if applicable);

b) price of ticket; c) any other information required by the relevant local authority and the Department of Internal Affairs as authorised by the Gambling Act 2003.

5.3 A fundraiser must not distribute tickets to be sold to any person without that person's express consent.

5.4 A fundraiser must specify a maximum ticket price.

5.5 A fundraiser must ensure that tickets are held at all times in a secure location until the completion of the charitable gambling activity.

6. Prizes and prize winners

The prize must be worth 20% of the value of all ticket prices on offer

6.1 A fundraiser must ensure that all advertised prizes are kept safe and free from mishandling by any person.

6.2 Where a prize consists of land, a fundraiser must:

- a) take out insurance on the land for the period of the charitable gambling activity, until the prize is signed over to the winner; and,
- b) take responsibility for the maintenance and upkeep of the land for the duration of the charitable gambling activity until the prize is signed over to the winner.

6.3 Where a prize consists of any of land, second-hand goods, motor vehicles, works of art, antiques, animals or gemstones, a fundraiser must provide the winner with a current certificate of market value from an appropriate valuer.

6.4 A fundraiser must not offer any of the following as a prize:

- a) items or substances that are prohibited by law;
- b) firearms, explosive (including ammunition), restricted weapon or airgun;
- c) tobacco products;
- d) liquor;
- e) a taonga tuturu
- f) vouchers or entitlements to commercial sexual services;
- g) surgical or dental procedures or other medical or therapeutic treatment; or

h) any other items restricted or prohibited by legislation or permit conditions.

6.5 A fundraiser must arrange for prizes to be distributed:

a) as advertised; or

b) if for any reason section 6.5a cannot be complied with, as requested by prize winners.

6.6 A fundraiser must take all reasonable effort to notify the winners of a charitable gambling activity.

7. Conducting the charitable gambling activity

7.1 All tickets sold must have a fair and equal chance of winning a charitable gaming activity.

7.2 Prizes must be drawn in descending order of value, unless otherwise permitted by relevant local authority or government legislation.

7.3 A fundraiser must ensure that the participants are aware either winning is not contingent upon being present or not at the draw of the charitable gambling activity.

7.4 If using electronic drawing equipment in a charitable gambling activity, a fundraiser must ensure that the equipment complies with any guidelines set out in the Gambling Act 2003 and permit conditions and if required, have the equipment's operation certified by an authorised party.

7.5 If a ticket is not included in the draw for a charitable gambling activity, a fundraiser must make all reasonable efforts to advise the ticket holder and refund their money within 7 days. No compensation will be payable to the ticket holder in respect of any such omission.

8. Record keeping and auditing

8.1 A fundraiser must ensure that the organisation maintains financial records of any charitable gambling activity, including income and expenditures.

8.2 Charitable gambling activity records must be kept for the time period required by the Gambling Act 2003.

8.3 A fundraiser, if required by the Charities Act 2005, must submit financial records to the Charities Commission for auditing.

9. Compliance and management of complaints

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

9.2 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.

Charitable Gambling Activity means any game of chance carried out as a fundraising activity in pursuance of the organisation's objects. A charitable gaming activity may include (without limitation) raffles, lotteries, art unions, bingo, lucky dips, lucky door prizes, guessing competitions, Silver Circles, Calcutta sweeps, sweeps, football doubles, lucky envelopes, tipping competitions).

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.

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 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.

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.

Appendix 1 Model Risk Management Assessment Plan

A risk management assessment plan should:

1. identify risks for a Charitable Gambling Activity including financial and liability;
2. assess level of risks of a Charitable Gambling Activity;
3. control identified risks;
4. review risk assessments.

Charitable Gambling Activity risks may include but are not limited to:

- Physical risks such as damage to property or persons;
- Financial risks;
- Reputational risks such as outstanding Charitable Gambling Activity books;
- Fraud risk such as improperly allocated or false ID badges;
- Risks associated with outsourcing Charitable Gambling Activity management to suppliers;

Compliance risks such as compliance with licensing, solicitation, occupational health and safety and child protection Risk management assessment must consider organisational and government regulations on matters of public health and safety such as:

- public event management;
- contractor/volunteer management;
- accident investigation;
- evacuation procedures;
- patron safety.

Fundraisers and/or organisations must inform and where required obtain permission from relevant local authorities, for example:

- council
- police
- licensing authorities

Fundraisers must comply with relevant legislation including occupational safety and health.

Risk management assessment must be a written plan. Use a risk assessment matrix such as the sample risk assessment management plan below.

SAMPLE RISK ASSESSMENT MANAGEMENT PLAN

Identify risk	How likely is the risk ? Scale 1 – 4, 1 = very unlikely, 2 =unlikely, 3 = likely, 4=very likely			
EXAMPLES OF RISK	VERY LIKELY	LIKELY	UNLIKELY	VERY UNLIKELY
Kill or cause permanent disability or ill health	1	1	2	3
First aid needed	3	4	2	3
Risk of fraud (e.g. failure to return ticket books and ID badges at conclusion of the charitable gambling activity)	1	2	3	4
Inappropriate conduct by charitable gambling activity supplier on behalf of organisation	1	3	1	2
Financial loss or failure to make a profit. Inability to predict with degree of certainty the levels of ticket sales, in balance against the up-front costs in conducting a charitable gambling activity	2	3	4	1
Inability to deliver prize- must be able to securely store prizes and have ability to deliver prizes in a timely manner, as promised.	1	4	3	1