

Fundraising Policy

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Functional Sub group Corporate Administration - Accounting
Corporate Administration - Governance

Summary This policy aims to:

- Maximise benefit from fundraising opportunities and donations
- Support NSW Health's obligation to ensure probity in its fundraising activities
- Ensure accountability and transparency of all financial transactions
- Ensure donors receive appropriate support and recognition and fulfil all their contractual obligations

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Applies to Area Health Services/Chief Executive Governed Statutory Health Corporation, Board Governed Statutory Health Corporations, Affiliated Health Organisations - Non Declared, Affiliated Health Organisations - Declared, Public Health System Support Division, Community Health Centres, Dental Schools and Clinics, NSW Ambulance Service, NSW Dept of Health, Public Health Units, Public Hospitals

Audience Fundraising staff and staff responsible for overseeing fundraising activities and monies raised.

Distributed to Public Health System, NSW Ambulance Service, NSW Department of Health

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Director-General

This Policy Directive may be varied, withdrawn or replaced at any time. Compliance with this directive is **mandatory** for NSW Health and is a condition of subsidy for public health organisations.

FUNDRAISING POLICY

PURPOSE

This policy provides the legislative and policy context in which fundraising is to operate in the NSW public health system, and gives guidance on types of fundraising activities and issues to consider when undertaking fundraising.

The Policy outlines the principles that must underpin all fundraising activities in which NSW Health organisations are involved and aims to:

- Maximise benefit from fundraising opportunities and donations
- Support NSW Health's obligation to ensure probity in its fundraising activities
- Ensure accountability and transparency of all financial transactions
- Ensure donors receive appropriate support and recognition and fulfil their contractual obligations.

The purposes of the Policy include:

- To support existing fundraising activities, guide new ones and provide an acceptable framework within which to raise funds.
- To enhance income generated within the legal requirements of the *Charitable Fundraising Act 1991*, the *Charitable Fundraising Regulation 2008*, the *Lotteries and Art Unions Act 1901* and the *Lotteries and Art Unions Regulation 2007*, as applicable.
- To help fundraising bodies ensure they are operating within the current regulatory requirements.
- To guide the development, operation and management of fundraising activities to raise funds for a specific hospital, service, program or project.
- To ensure a consistent standardised approach to forms of fundraising across NSW Health including appropriate financial management, governance and policy compliance.
- To encourage staff to be involved in fundraising on behalf of their workplace whilst meeting all regulatory requirements.
- To assist staff in the performance of fundraising activities, providing guidance on relevant policy and procedural matters.
- To maintain a high standard of public accountability and ethical practice in fundraising.
- To provide a framework within which all NSW Health organisations understand how, when and for what purpose they may undertake fundraising activities, including appropriate approval processes and statutory requirements.

This policy complements the NSW Health Sponsorships Policy (PD2005_415).

MANDATORY REQUIREMENTS

NSW Health agencies must ensure all fundraising activities they engage in, either directly or indirectly through an external body, comply with the attached Fundraising Procedures and particularly the Principles specified. This includes:

- Maintaining a proper books of account and records
- Ensuring a Fundraising Agreement is in place for fundraising activities over \$10,000
- Obtaining approval of the Chief Executive /Director-General or delegated officer for all Fundraising Agreements
- Ensuring funds received through fundraising are used in strict accordance with the fundraising agreement
- Assessing risk management strategies when conducting fundraising, to ensure the level of risk is commensurate with the organisation's exposure and capacity to manage the risk

IMPLEMENTATION

Fundraising staff and those staff responsible for overseeing fundraising activities and monies raised, as well as staff who may undertake fundraising activities in addition to their standard duties should be made aware of the existence and contents of this Policy and attached Procedures.

Final approval for all fundraising activities rests with the Chief Executive / Director-General or delegated senior officer of a Public Health Organisation or Ambulance Service NSW. As noted in Principle 9, a fundraising agreement is required for all activities over \$10,000.

Public Health Organisation, Ambulance Service NSW:

- Fundraising proposals need to be submitted to the Chief Executive or delegated senior officer for approval.
- The Chief Executive may delegate this power to no more than two other Public Health Organisation /Ambulance Service NSW executives, both of whom must be Senior Executive Service (SES) or Senior Officer equivalent and neither of whom is directly responsible for the operation of a public hospital or other health care service.

NSW Department of Health:

- Any proposed fundraising agreement should be sent to the Manager, Corporate Communications for assessment and referral to the Director-General for approval.

REVISION HISTORY

Version	Approved by	Amendment notes
October 2009 (PD2009_067)	Deputy Director-General Health System Support	New policy

ATTACHMENT

1. Fundraising Procedures.

Fundraising Procedures



Issue date: October 2009

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FUNDRAISING PROCEDURES

1. CONTEXT

Fundraising activities are a legitimate activity for Health Services and public hospitals and provide an opportunity to collect additional revenue. NSW Health actively seeks, encourages and relies on fundraising, philanthropic gifts and corporate sponsorships to supplement government funding, to purchase additional medical equipment, improve facilities and technology, establish or enhance a particular service, support education or conduct research.

Charitable fundraising may take many forms, including collections, fetes and the sale or auction of donated goods and services, dinners or lunches, BBQs etc, entertainments such as performance and dances, trivia nights, raffles or other competitions, and sponsorship. These activities are known as fundraising appeals. Fundraising of this nature is primarily governed by the *Charitable Fundraising Act 1991* (the Fundraising Act) and the *Lotteries and Art Unions Act 1901* (the Lotteries Act).

The Fundraising Act provides that the soliciting or receiving of any money, property or other benefit from the public constitutes a fundraising appeal if a representation is made or implied that the appeal is for a charitable purpose, or for the support of an organisation having a charitable object.

Categories of “charitable purpose” include fundraising for the benefit of the community and for any benevolent or philanthropic purpose. Accordingly, the provisions of the Fundraising Act apply in accordance with this policy, to fundraising by health organisations.

Fundraising may be undertaken directly by a NSW Health organisation, or indirectly by an external body that donates proceeds to a nominated NSW Health organisation, service, program etc.

This document provides the legislative and policy context in which fundraising operates in NSW Health, and gives guidance on types of fundraising and issues to consider. It complements the NSW Health Sponsorships Policy (PD2005_415).

Guidance in the conduct and management of fundraising is available in the NSW Office of Liquor, Gaming & Racing (OLGR) publication *Best Practice Guidelines for Charitable Organisations*, available on the OLGR website at www.olgr.nsw.gov.au.

1.1 Who it covers

This policy is applicable to all of NSW Health, including the NSW Department of Health, the Health Administration Corporation, all Public Health Organisations, which includes all health services, statutory health corporations and affiliated health organisations in respect to their recognised services and recognised establishments, Ambulance Services of NSW and research foundations under the control of public health organisations, and contains a process for assessment, approval and implementation of fundraising activities, a checklist and sample forms.

2. LEGISLATIVE FRAMEWORK

- *Charitable Fundraising Act (NSW) 1991*
- *Charitable Fundraising Regulation (NSW) 2008*
- *Health Records and Information Privacy Act (NSW) 2002*
- *Income Tax Assessment Act (Aust)1997*

- *Lotteries and Art Unions Act (NSW) 1901*
- *Lotteries and Art Unions Regulation (NSW) 2007*
- *Privacy and Personal Information Protection Act (NSW) 1998*
- *Public Finance and Audit Act (NSW) 1983*
- *Unlawful Gambling Act (NSW) 1998*

3. LINKS TO GOVERNMENT AND OTHER POLICIES

- Independent Commission Against Corruption (ICAC), Corruption prevention guidelines
- NSW Office of Liquor, Gaming and Racing, *Best Practice Guidelines for Charitable Organisations*, Fact Sheets
- Treasurer's Directions

3.1 NSW Health

- Accounting manuals
- ICAC report- Cash handling in public hospitals PD2005_054
- Code of Conduct PD2005_626
- Corporate Identity- NSW Health PD2005_601
- Delegations manuals
- Entities – Authorisation of Control. Fundraising and Accounting, PD2005_084
- Privacy Management Plan PD2005_554
- Protecting Children and Young People PD2005_299
- Purchasing and supply manuals
- Revenue policy and revenue standards
- Risk management plans
- Sponsorships Policy – NSW Health PD2005_415
- Conflicts of Interest in the Public Health System PD2005_469

4. PURPOSE OF POLICY

The purpose of this policy is to:

1. Support existing fundraising activities, guide new ones and provide an acceptable framework within which to raise funds.
2. Enhance income generated within the legal requirements of the *Charitable Fundraising Act 1991* and the *Lotteries and Art Unions Act 1901*.
3. Help fundraising bodies ensure they are operating within the current regulatory requirements.
4. Guide the development, operation and management of fundraising activities to raise funds for a specific hospital, service, program or project.
5. Ensure a consistent standardised approach to forms of fundraising across NSW Health including appropriate financial management, governance and policy compliance.
6. Encourage staff to be involved in fundraising on behalf of their workplace whilst meeting all regulatory requirements.
7. Assist staff in the performance of fundraising activities, providing guidance on relevant policy and procedural matters.
8. Maintain a high standard of public accountability and ethical practice in fundraising activities.
9. Provide a framework within which all NSW Health organisations understand how, when and for what purpose they may undertake fundraising activities, including appropriate approval processes and statutory requirements.

5. POLICY OBJECTIVES

The objectives of this policy are to:

- Maximise benefit from fundraising opportunities and donations
- Support NSW Health's obligation to ensure probity in its fundraising activities
- Ensure accountability and transparency of all financial transactions
- Ensure donors receive appropriate support and recognition and fulfil all their contractual obligations.

6. WHAT IS FUNDRAISING?

Fundraising includes all activities that involve financial and in-kind assistance from individuals, foundations and private and public organisations in support of a facility, service, equipment, activity or event.

Funds raised or received may be allocated to an identified purchase, program or activity, or may be contributed to a general fund for allocation to priority projects identified by a health organisation. Health organisations should, when soliciting funds, indicate in the agreement that funds can be applied generally when excessive funds are raised or the specific purpose fails.

6.1 Definition of Fundraising

Fundraising means the soliciting or receiving of any money, property or other benefit (eg. gift in-kind) on a charitable basis on behalf of any part of NSW Health.

Fundraising includes a variety of methods, all basically serving the same purpose, i.e. collection of monies from members of the public to boost revenue for various commendable purposes.

Fundraising comprises fundraising appeals, charitable or community games of chance and can also be achieved through donations and sponsorship, either in cash or in-kind. Donations can be made directly by an individual or corporate donor, or may be made in the form of a bequest.

Note: Bequests are not considered as proceeds of fundraising under the Charitable Fundraising Act.

6.2 Purpose of fundraising

The purpose of fundraising for NSW Health is to support the Strategic Directions for Health goals by promoting and gaining the support of our extended communities and to involve key stakeholders in a donor relationship that satisfies their personal values, business strategies and marketing needs.

6.3 Benefits of fundraising

The major benefits of fundraising are:

- To increase the revenue stream
- To fund specific projects or purchases, such as much needed equipment, employ specialist staff, or conduct research etc
- To gain support by creating strong links with the community

6.4 Legislative requirements

The *Charitable Fundraising Act 1991* ("the Fundraising Act") imposes a number of obligations on the conduct of fundraising appeals including obligations concerning:

- Maintenance of proper books of account and records

- Ratio of expenses to receipts
- Identification of collectors
- Advertising
- Receipts
- The participation of children

Whilst the above obligations do not apply under the Act for bodies controlled by NSW Health, NSW Health as a matter of policy applies it to them.

The *Lotteries and Art Unions Act 1901* (“the Lotteries Act”) governs the conduct of all types of charitable and community games of chance. Operation of these activities must also comply with the Fundraising Act and the *Unlawful Gambling Act 1998*.

6.5 Types of fundraising

The Glossary of terms includes definitions and descriptions of fundraising activities. (See Appendix 1)

Some commonly used fundraising activities are:

- Direct appeals by mail, telephone, website
- Walkathons, telethons or competitions
- Lotteries and games of chance such as art unions, raffles etc
- Major events such as a ball, annual fundraising day
- Market days
- Activities such as selling chocolates, sausage sizzles
- Sale of items/stalls/merchandise
- Street bucket collections (where the bucket must be secure and not opened)
- Sale of goods at opportunity shops
- Sale of goods where portions of the sale price are donated to a charitable organisation or cause

6.6 Fundraising appeals

The soliciting or receiving of any money, property or other benefit from the public constitutes a fundraising appeal if a representation is made that the appeal is for a charitable purpose or for the support of an organisation having a charitable object. A membership drive undertaken by an organisation is a fundraising appeal if one of the objects of the organisation is a charitable object.¹

Forms of fundraising appeals include:

- Public appeal for donations
- Direct marketing
- Telethons
- Conduct of lotteries or competitions
- Supply of food, entertainment or other goods and services
- Asking for support or services
- Door knock appeals
- Telemarketing
- Appeals run by commercial fundraisers
- Collections

¹ NSW Office of Liquor, Gaming & Racing (2002) *Charitable purpose fundraising appeal (Charitable fundraising fact sheet)* http://www.olgr.nsw.gov.au/pdfs/charitable_purpose.pdf

6.7 Donations

Donations may be made by individuals or by organisations. Under certain circumstances donations to hospitals constitute a tax-deductible donation. They include:

- Donations of money, property or services
- Donations to clothing bins
- Bequests and memorial gifts
- Deferred giving programs

6.8 Bequests

Bequests are donations from individuals who have left money or property to an organisation in their will or estate, or with the Public Trustee.

On occasion, letters may be received from lawyers or the Public Trustee seeking confirmation that the recipient will conform to the provisions of a will that includes a bequest. It is important to acknowledge agreement to conform to such provisions.

6.9 Community or charitable gaming activity

Types of lotteries and community or charitable gaming activity include:

- Raffles
- Art unions
- Bingo/housie
- Trivia nights
- Lucky envelopes
- Chocolate wheels
- Casino night ²

The NSW Office of Liquor, Gaming & Racing Ready Reference Guide in the *Best Practice Guidelines for Charitable Fundraising* summarises the major requirements of community based lotteries and games of chance (**See Implementation Resource 1**).

6.10 Sponsorship

The Independent Commission Against Corruption (ICAC) defines sponsorship as "a commercial arrangement in which a sponsor provides a contribution in money or in-kind, to support an activity in return for certain specified benefits ... Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement."³

The *Sponsorships Policy* details NSW Health's requirements for sponsorship.⁴

6.11 Risks of fundraising

While fundraising and receiving donations offer significant benefits, such activities also potentially expose organisations to risk. Risk management strategies should be considered when conducting fundraising. Activities have varying levels of risk and each activity should be examined on its merits. The level of risk is to be commensurate with the organisation's exposure and capacity to manage the risk.

² The NSW Office of Liquor, Gaming & Racing has available fact sheets and information on all forms of lottery and games of chance. http://www.olgr.nsw.gov.au/promos_publications.asp

³ ICAC (2006) *Sponsorship in the public sector: a guide to developing policies and procedures for both receiving and granting sponsorship*, Sydney, ICAC, p8
http://www.icac.nsw.gov.au/files/pdf/Sponsorship_in_the_public_sector.pdf

⁴ NSW Health (2005) *Sponsorships policy* PD2005_415
http://www.health.nsw.gov.au/policies/PD/2005/PD2005_415.html

A risk assessment should be undertaken prior to approval for activities where there are substantial outlays.

Examples of risks include conflicts of interest, embarrassment to NSW Health or the Government, NSW Health being influenced or perceived to be influenced by a fundraising relationship, or NSW Health endorsing or appearing to endorse a fundraiser's or donor's products or services.⁵

Some fundraising activities require the pre-purchase of goods or incur costs prior to conducting the activity, including venue hire, printing of tickets, advertising and so on. The risk that these costs will not be fully offset by revenue generated needs to be taken into consideration when looking at potential profits. Particular consideration should be applied in respect to art unions which have a high rate of failure.

6.12 Return from Fundraising

The *Fundraising Act* requires that the proceeds from an appeal are applied to the purposes or objects of the appeal, and that any expenses deducted are lawful and proper.

A fundraising appeal for donations only (with no associated supply of goods or services) must take all reasonable steps to ensure that a minimum return of 50% is realised.

The *Lotteries and Art Unions Act 1901* requires minimum returns for certain forms of lottery or game of chance e.g. a minimum return of 40% should be achieved from raffles, 30% from art unions and 12.5% for charity houses.⁶

In all other cases, including where goods or services are supplied, all reasonable steps must be taken to ensure that the expenses payable do not exceed a fair and reasonable proportion of the gross proceeds obtained.

7. FUNDRAISING PRINCIPLES

As a general rule NSW Health will NOT enter into a fundraising agreement that involves:

- The explicit endorsement of a specific product or service
- The manufacture, production, sale or promotion of products or services that could damage health
- Fundraising centred on the consumption of alcohol
- Fundraising that encourages gambling
- Association with an event that involves violence or dangerous activities e.g. boxing
- Activities that are demeaning or degrading
- Using a database of supporters and staff
- Preventing relations with other potential supporters

The ICAC has developed a set of sponsorship principles as a guide to public sector agencies to modify and adopt. The Principles are equally applicable to all forms of fundraising and the acceptance of donations, and have been adapted for this policy.

The Principles apply where NSW Health is the recipient of fundraising or where it is a contributor to another organisation or fundraiser.

⁵ ICAC (2006) *Sponsorship in the public sector*, op. cit, p13

⁶ NSW Office of Liquor, Gaming & Racing (2002) *Best practice guidelines for charitable organisations*, 4th ed. Sydney, the Office, p 173

Principle 1 A fundraising activity or donation should not impose or imply conditions that would limit, or appear to limit, NSW Health's ability to carry out its functions fully and impartially.

The ICAC suggests that any fundraising agreement should foreshadow the possible consequences of any fundraising related impacts on a public sector agency's responsibilities. A fundraising agreement should include a statement to the effect 'that any attempted influence of NSW Health's functions will result in an automatic review and/or termination of the arrangement.'

NSW Health must also ensure that where a fundraiser is involved in lodging a quote or tender, all relevant processes in the NSW Health Purchasing and Supply Manuals are strictly followed. Decisions for awarding the tender should be clearly and explicitly documented to avoid any perception that a fundraiser may receive favourable treatment.

Principle 2 There should be no actual conflict between the mission and objectives of NSW Health and those of the fundraiser or donor.

Any fundraising proposal or activity needs to be consistent with the mission, goals and priorities of NSW Health, as outlined in the 'NSW State Health Plan' and 'Strategic Directions for Health'. The proposed fundraiser's activities and corporate values should be consistent with the values of NSW Health and the general community.

7.1 Prohibited fundraising and conflicts

Fundraising activities should not involve organisations whose business practices and priorities are not consistent with NSW Health, or who do not practice good corporate governance (e.g. observe proper occupational health and safety requirements, regulatory compliance, financial accountability requirements etc).

Fundraising agreements are not to be entered into with any company whose name is synonymous with the manufacture of alcohol or tobacco products, material likely to cause offence and specific drugs, as this conflicts with NSW Health's general public health role.

7.2 Tobacco and alcohol products

NSW Health prohibits any fundraising contribution from a company, which owns, controls or is involved with the manufacture and production or promotion of tobacco products, including cigarettes, cigars or pipes. Fundraisers are required to certify they are not involved with the manufacture and production of such products.

Fundraising activities must not be seen to directly promote the consumption of alcohol or to promote companies involved in the manufacture and production or promotion of alcohol products.

7.3 Other conflicts

A fundraiser's or donor's corporate objectives or reputation may change over time, therefore any agreement needs to monitor such changes and include a termination clause which protects NSW Health's interests.

All commercial fundraisers should be requested to confirm in writing that they operate under a current code of ethics, have a good corporate governance record, stable financial position and appropriate employment and marketing practices.

Principle 3 NSW Health should neither seek nor accept fundraising contributions or donations from persons or bodies that are, or maybe, subject to regulation or inspection by NSW Health during the life of the fundraising activity or program.

NSW Health has a regulatory role in areas such as environmental health, advertising tobacco and the sale of tobacco to minors, mental health, private hospitals and pharmaceutical services. Individuals, organisations or the corporate sector that provide support through fundraising or donation may also be the subject of regulation or inspection.

Experience suggests that corporate supporters will most likely include some persons or companies who are subject to NSW Health regulation, and special arrangements must be in place to ensure that fundraising activities are undertaken completely independently and at arms length from our regulatory role. Where this occurs, the matter requires careful consideration at senior executive level.

If a decision is taken to accept a proposal in an area that NSW Health regulates, fundraisers are to be advised that the relationship will be completely independent from NSW Health's exercise of regulatory or inspectorial functions. This must be specifically documented by the parties to the agreement to ensure the integrity of the arrangement. This principle applies even where it is another part of NSW Health that has the regulatory responsibility.

Principle 4 Contributions to NSW Health or a NSW Health activity should not involve explicit or implicit endorsement of the fundraiser or donor or their products or services.

It is not acceptable for NSW Health to endorse or promote specific products, items, companies or brands. The only acceptable forms of endorsement are for general ranges of products. Thus endorsing the use of sunscreen would be acceptable but endorsing the use of XYZ brand of sunscreen would not.

It must be stressed that when accepting money through fundraising, it does not imply endorsement of a company, product or service and should not be seen to do so.

NSW Health media liaison officers or Departmental corporate communications staff should review all such products prior to accepting a proposal.

Principle 5 Where a fundraising activity or donation takes the form of provision of a contributor's product, the product should still be evaluated for its fitness for purpose against objective criteria that are relevant to NSW Health's needs.

NSW Health is a respected public organisation, which enjoys public goodwill. If a drug company sponsors or supports a health program, there is an association with the organisation's good reputation. NSW Health has therefore sold at least part of its goodwill for the price of the support.

Products should not be accepted simply because they are offered free of charge. This could result in an implicit endorsement of a sub-standard product or could have implications under the *Occupational Health and Safety Act*.

NSW Health media liaison officers or Departmental corporate communications staff should review all such products prior to accepting a proposal.

Principle 6 It is inappropriate for any employee of NSW Health to receive a personal benefit from a fundraising activity or donation.

NSW Health staff (or relatives or friends) involved in fundraising on behalf of NSW Health must not engage in any conduct which might be deemed corrupt or which might bring the organisation into disrepute. Obtaining personal benefit, either directly or indirectly, through fundraising activities in the workplace is strictly prohibited and constitutes a serious offence

The NSW Health Code of Conduct indicates that receipt of non-token gifts and benefits by employees is not appropriate and this requirement also applies in respect to fundraising. Employees/staff in the context of this principle includes Visiting Medical Officers (VMOs), contractors and Board and Committee Members.

Principle 7 In most circumstances, the public interest is best served by making fundraising opportunities widely known, that is, by calling for expressions of interest or using broadly based processes that are not limited solely to invited fundraisers.

To ensure a fair and transparent process, general fundraising opportunities should be made widely known to all potential fundraisers. Wherever possible, fundraising should be directed towards predetermined priorities, with an updated list of approved priority areas for fundraising maintained and made available to all potential fundraisers. The delegated officer with responsibility for managing fundraising will generally maintain this information.

The tendering policy in the NSW Health Purchasing and Supply Manuals should be observed in receiving, evaluating, approving and disclosing any outcomes in relation to fundraising activities.

If calls for expressions of interest for fundraising opportunities do not result in appropriate offers NSW Health organisations may consider offers made through other means, or canvas potential fundraisers.

Where a potential fundraiser/donor approaches a NSW Health organisation outside of an EOI process, such an approach can be accepted, however, it must be assessed in accordance with the principles and procedures of this policy with a view to ensuring transparency of process.

Principle 8 Fundraising proposals should be assessed against transparent criteria that are publicly available.

Proposals must be assessed consistently, using the same established selection criteria for all potential applications. The criteria should be documented prior to calling for expressions of interest.

Where there is concern over the suitability of an organisation or group, funds should not be accepted until advice has been received from the Chief Executive and/or the Director-General, through the Manager, Corporate Communications or delegated officer.

Principle 9 All fundraising arrangements should be appropriately documented in a written agreement.

Every fundraising activity above a certain amount requires a written fundraising agreement that outlines the terms and conditions of the relationship between NSW Health and the fundraiser.

For fundraising activities under \$10,000 the written agreement can constitute an exchange of letters signed by the Chief Executive/Director-General or delegated officer.

For fundraising activities over \$10,000 a formal agreement is required. An example of a formal agreement is shown at **Implementation Resource 6**. Agreements are to be signed by the Director-General/Chief Executive AHS or delegated officer.

Before entering into a fundraising agreement, serious consideration must be given to the impacts and flow-on effects, of any relationship between NSW Health and a fundraiser. Decisions must be made on impartial and objective grounds. Assets, such as NSW Health's goodwill, must be sold for the best price under appropriate terms and conditions.

Principle 10 All fundraising activities should be approved by the Chief Executive/Director-General or delegated senior officer of the relevant NSW Health organisation and described in the Annual Report in a form commensurate with the significance of the activity or donation.

Accountability for fundraising rests with the Chief Executive in respect to a public health organisation or Ambulance Service NSW or the Director-General in the case of the Department of Health. An appropriate delegated officer may include Public Affairs managers or the Department of Health Manager, Corporate Communications.

Recognition of fundraisers and donors is important. Major donations and fundraising activities should be acknowledged in the Annual Report as well as some appropriate other form of recognition, consistent with local guidelines and practice.

8. FUNDRAISING ISSUES

8.1 Best Practice

The NSW Office of Liquor, Gaming & Racing's publication '*Best Practice Guidelines for Charitable Organisations*' is designed to assist staff to meet the financial, fundraising and organisational accountability requirements associated with fundraising activities. It may be read online at www.olgr.nsw.gov.au

The Guidelines include information relating to the keeping of financial accounts and records, receipting requirements, internal controls, conduct of appeals, recording of minutes and audit requirements.

It also includes a *Ready Reference Guide* for various types of gaming activities that may be undertaken for the purpose of raising funds. A copy of the *Ready Reference Guide* is included at **Implementation Resource 1**.

8.2 Roles and Responsibilities

It is preferable to have a dedicated person or area responsible for administering fundraising and charitable activities. For example, this may be a fundraising unit, a foundation or a person attached to the public affairs unit.

Final approval for all fundraising activities rests with the Chief Executive/ Director-General or delegated senior officer of a Public Health Organisation or Ambulance Service NSW. As noted in Principle 9, a fundraising agreement is required for all activities over \$10,000.

8.3 Delegations

All fundraising/donor activities, agreements and transactions must be authorised by a delegated person as specified in the Delegations Manuals.

8.4 Public Health Organisation, Ambulance Service NSW approvals/delegations

Fundraising proposals need to be submitted to the Chief Executive or delegated senior officer for approval.

The Chief Executive may delegate this power to no more than two other Public Health Organisation/Ambulance Service NSW executives, both of whom must be SES or Senior Officer equivalent and neither of whom is directly responsible for the operation of a public hospital or other health care service (i.e. public hospital general managers are excluded). Such delegations are to be minuted and be reflected in the relevant Delegations Manual.

8.5 NSW Department of Health approvals irrespective of value

In relation to Departmental fundraising activities, any proposed fundraising agreement should be sent to the Manager, Corporate Communications for assessment and referral to the Director-General for approval.

8.6 Participation of Children

The 'Fundraising Authority Conditions' pursuant to The *Fundraising Act* contains special requirements relating to the participation of children in fundraising activities. These requirements are to be complied with by NSW Health agencies where children participate in fundraising activities.

The minimum age for children participating in an appeal as a volunteer or receiving payment is eight years, and 13 years respectively. In both cases there must be observance of a code of practice. The code specifies the conditions under which children may be used as collectors, including the degree of supervision required, conditions of employment and other obligations to protect their welfare and safety. Conditions attached to an 'Authority to Fundraise' include the code of practice for the participation of children in fundraising.⁷

Additional requirements in regard to fundraising lotteries and games of chance are:

- Children must not be involved in any way with a lottery, which includes liquor as prizes. This includes buying or selling tickets, and giving or collecting prizes
- Children are not permitted to be depicted as participating in a lottery activity in any associated advertising
- Persons under the age of 17 must not take part in chocolate wheels and lucky envelopes
- Mini-numbers lotteries are not open to children under the age of 18.

8.7 Prizes

The *Ready Reference Guide* provides advice on prize limits and restrictions for specific forms of gaming activity.

Cash prizes must not amount to more than \$25,000 in raffles and art unions and individual payouts of \$2,000 or more should be in the form of a crossed cheque or direct deposit by electronic banking. Vouchers for goods or services must not be redeemable for cash or prohibited prizes. In the case of a travel prize, any spending money that is included must not exceed 20% of the total value of the prize.

⁷ NSW Office of Liquor, Gaming and Racing (2008) *Fundraising Authority Conditions*
http://www.olgr.nsw.gov.au/charitable_forms.asp

Subject to the specified monetary limit applicable to each type of activity, prizes may be in the form of cash, goods, services, or vouchers for goods or services. The following cannot be used as prizes in any game:

- Tobacco products of any kind
- Firearms or ammunition
- Prohibited weapons
- Cosmetic surgery or similar procedures to “improve” appearance

Liquor may be used as prizes but a total of only 20 litres may be offered in any one lottery or game of chance. This equates to approximately 2 cases of beer, 2 dozen bottles of wine or 28 bottles of spirits.

8.8 Donor Acquisition

There are numerous ways of acquiring new donors. Acquisition of donors is generally the first stage in a development program. This stage is generally expensive, but is likely to be financially beneficial in the long term. The current trend across the not for profit sector is a breakeven expectation on the money spent for an acquisition. It is more common than not that donor acquisition actually requires an investment rather than giving a positive return.

The result of an acquisition program is gauged not in dollars but in donors. These will form the basis of a long-term fundraising program. Donors can be acquired through patient details (where permissible, giving full regard to privacy requirements), an unaddressed mailing through Australia Post, piggyback mailings with rate notices, store account mailings, inserts in local newspapers, etc. Lists can also be purchased.

8.9 Insurance

The organisation’s risk management area must be notified in writing of any activity outside normal duties carried out by staff for the purpose of fundraising on behalf of NSW Health. This will ensure that in the event of any injury, appropriate details can be obtained for insurance purposes.

9. IMPLEMENTING FUNDRAISING ACTIVITIES

Written approval is required for all types of fundraising. All fundraising agreements, regardless of their value, as well as fundraising activities and donations are to be approved by the Chief Executive/Director-General or delegated officer.

9.1 Fundraising proposals

Fundraising opportunities can be developed by identifying existing or proposed programs and services which:

- Could be enhanced by an injection of private funds
- Would not be compromised by private sector involvement
- Provide a useful or additional service to the community; and
- Have corresponding promotional or other benefits for a potential fundraiser or donor.

Details of all proposed major fundraising activities are to be submitted in writing to the Chief Executive/Director-General or delegated officer for approval. An application should contain:

- Objectives of fundraising - it should ensure that in cases where the fundraising is specific (eg. purchase of a specific item of equipment, support for a particular service or activity) the wording of campaign information enables the transfer of excess funds to another project or general use
- Method of fundraising - close scrutiny should be given to applications involving use of consultants or commercial fundraisers to ensure value return and some assurance of the success of the appeal.

A contract/agreement must be in force containing provisions concerning:

- Type of activity
- Commencement and expiry dates
- Proposed expenses and revenue
- Ongoing cost and funding evaluation - projects that generate ongoing expenditure after the initial fundraising, e.g. recurrent goods and services, maintenance contracts and replacement of equipment purchased from fundraising, need to have the cost and funding implications evaluated.

It may be necessary to consult with other agencies in developing fundraising proposals. Examples may include the need to liaise with local governments or state agencies where external events are proposed, including for traffic and road alterations or closures, major event security or crowd control etc.

A checklist, sample fundraising application form and proposal form are included as **Implementation Resources**.

9.2 Authority to fundraise

Any person or organisation fundraising in NSW must, by law, have an 'Authority to Fundraise' prior to initiating the activity.^{8, 9} When possessing an authority an organisation is entitled to appeal to the public for funds, but in return that organisation incurs a number of obligations which are set out in the Fundraising Act and Regulation, and in detail in the conditions attached to the authority.

The authority may be granted for an indefinite period for an indefinite number of appeals. In practice authorities will be issued for a specific period such as five years.

The Department of Health, Area Health Services, Ambulance Service NSW and statutory health corporations are not required to obtain an authority to fundraise themselves. Nevertheless, it is NSW Health policy that the requirements of the legislation, as contained in this policy, should be complied with other than for the obtaining an authority.

Affiliated health organisations in respect to their recognised establishments and recognised services, may be required to obtain an authority to fundraise, depending on their charter. They must also report separately to the Minister.

9.3 Where separate fundraising authorities exist

When an outside body already holds an authority under *The Charitable Fundraising Act* it is only necessary for NSW Health to record the net funds deposited in the books of account.

⁸ NSW Office of Liquor, Gaming and Racing (2004) *Fundraising authority conditions (Charitable fundraising fact sheet 1)* http://www.olgr.nsw.gov.au/pdfs/char_fund_fs_authority_conditions.pdf

⁹ NSW Office of Liquor, Gaming and Racing (2004) *Charitable fundraising general information (Charitable fundraising fact sheet 2)* http://www.olgr.nsw.gov.au/pdfs/fundraising_general_info.pdf

Notwithstanding the limited reporting requirements applicable for this category of donation, NSW Health must be satisfied that the ratio between the amount of the expenses and the gross proceeds is fair and reasonable as prescribed. Copies of the audited statements should be obtained to assist in verification and an income and expenditure statement should be obtained immediately following an event or fundraising activity. If a body holding an authority to fundraise fundraises on behalf of NSW Health it should still be authorised by NSW Health via an agreement.

9.4 Where separate fundraising authorities do not exist

When an outside body requests approval to fundraise on behalf of NSW Health and has no separate authority it must be authorised by NSW Health.

The request may be accommodated through the issue of an authority in writing where the appeal is to be conducted other than face-to-face, or by the issue of an identification badge or card where the appeal is to be conducted face-to-face.¹⁰

NSW Health can only issue an authority when:

- A written application which includes full details of the proposed activity has been received
- The activity fits in with the philosophies and policies of NSW Health
- It is demonstrated that the activity will produce a reasonable return after expenses have been deducted. This applies if the fundraising does not involve a commercial fundraiser. Where the fundraising involves a commercial fundraiser further requirements would need to be implemented.

9.4 Criteria for assessing proposals

In assessing a proposal it must first be determined whether it falls under the definition of fundraising or sponsorship. The key difference is that fundraising occurs with no expectation of individuals or organisations receiving any kind of benefit themselves. Sponsorship involves entering into a business arrangement designed to provide public acknowledgment and/or promotional opportunities in return for money or in-kind support.

Selection criteria should include the benefit NSW Health is seeking and the context of the arrangement within NSW Health's overall strategic directions, mission and goals.

Wherever possible, fundraising should be directed towards a predetermined priority. A current list of approved priority areas for fundraising should be maintained and made available to all potential fundraisers.

In assessing all fundraising proposals, the benefits, risks and costs of the activity must be evaluated. Costs associated with implementation of a fundraising activity (or dollar value of the resources involved in ongoing support) also need to be evaluated.

10. APPROVING FUNDRAISING PROPOSALS

Internal approval processes, responsibilities and financial and administrative delegations apply. Accountability for participation in a major fundraising activity rests with the Chief Executive/Director-General or delegated officer, taking into account the requirements of this policy, legislative and other government policy considerations.

¹⁰ Refer to the NSW Office of Liquor, Gaming & Racing *Best practice guidelines for charitable fundraising*, Chapter 23 for best practice and identification samples

All fundraising agreements, regardless of their value, as well as fundraising activities and donations are to be approved by the Chief Executive/Director-General or delegated officer.

10.1 External fundraising

External groups, companies or individuals conducting activities to raise money for any NSW Health organisation, facility or service must have the proposal approved by an appropriate delegated person.

External fundraisers must have an 'Authority to Fundraise' and be registered with the NSW Health organisation for which the fundraising activity is being undertaken. Fundraising guidelines, priority lists and proposal forms should be available and accessible on the Internet. Some will have an authority, e.g. service clubs such as Lions etc. Other bodies such as a local hotel do not need an authority to fundraise as long as they are authorised by NSW Health as a body not required to hold an authority to fundraise.

NSW Health staff or resources, other than the delegated officer, should not be engaged for the purpose of assisting with fundraising activities being conducted by external groups or foundations.

10.2 Foundations

Relationships between hospital fundraisers and Foundations are to be mutually supportive. However, as external organisations, it is important that a Foundation can be clearly distinguished from the health organisation and that it does not use or adopt the health organisation's name, address/s or logo as its own. Foundations are not eligible to access client/patient personal information.

A health organisation is not to form a separate legal or financial entity, such as a trust, a corporation or foundation without the approval of the Minister for Health and the Treasurer. Any authorised separate legal or financial entity is to be constituted in such a way that it is a controlled entity of the health organisation that proposes its formation.

¹¹

10.3 Hospital Auxiliaries

Hospital Auxiliaries are regarded as Non Hospital Based Activities. Hospital Auxiliaries or groups established as charitable organisations in their own right (incorporated) are responsible for their own fundraising activities.

- Auxiliaries should hold an authority to fundraise, issued under the Fundraising Act and report separately to the NSW Office of Liquor, Gaming and Racing.
- Alternatively, Auxiliaries may affiliate with the United Hospital Auxiliaries of NSW which holds an authority for all affiliated Hospital Auxiliaries and will provide all necessary information.
- Auxiliaries are to maintain their accounting records in making donations to NSW Health.

Hospital auxiliaries are an important source of additional funds for hospitals and should be appropriately acknowledged for their contribution and support.

¹¹ NSW Health 'Entities- Authorisation of Control. Fundraising and Accounting' 2005 (PD2005_084)
http://www.health.nsw.gov.au/policies/PD/2005/pdf/PD2005_084.pdf

10.4 Internal fundraising

Internal fundraisers must have approval from the Chief Executive/Director-General or delegated officer to fundraise. The beneficiaries are to be determined prior to the activity.

Generally steps in obtaining authorisation to conduct internal fundraising include:

- An application form that provides details of the proposed activity/project (eg. raffles, sausage sizzles, stalls, etc)
- If a raffle is part or all of the fundraising it must comply with the Lotteries Act ^{12, 13}

Once authorised, a Special Purposes and Trust Fund account needs to be established and all deposits and withdrawals must be made through the nominated account. Money raised through fundraising must not be deposited into normal operating accounts.

All cash must be kept in a secure place in accordance with the Cash Handling Policies and Accounting Procedures Manual.

Staff conducting an internal fundraising activity, other than those whose official role includes internal fundraising, must do so in their own time and are accountable for ensuring that all income and expenditure related to the activity is properly recorded, the money balances, receipts for expenses are provided and all paperwork is completed and returned to the appropriate delegated officer within 5 working days of the completion of the activity. An evaluation report should be completed after the activity and returned to the approving officer for auditing purposes.

10.5 Staff social clubs and volunteer groups

Social clubs, tea funds, etc are not technically run through NSW Health. For this reason if social clubs wish to fundraise for NSW Health they must obtain proper approval and have funds deposited into a Special Purposes and Trust Fund (SPT) account.

Staff social clubs and volunteer groups performing fundraising activities for any NSW Health organisation are expected to adhere to this policy.

10.6 Commercial fundraising

Commercial fundraising includes the acquisition of funds or goods with an obvious benefit to the donor. When NSW Health is used to facilitate the sale of commercial products where it receives a percentage of those sales, while that percentage is at the discretion of the Area or facility, generally that percentage should be at least 50% of the sale price.

Where a commercial organisation wishes to introduce an arrangement whereby NSW Health staff gain a personal benefit and the commercial organisation donates a percentage to the NSW Health organisation, the personal benefit should not to be accepted unless it is available to the community at large.

Approval for all commercial fundraising must be obtained from the Chief Executive/Director-General or delegated officer.

Commercial fundraisers performing fundraising activities for any NSW Health organisation are expected to adhere to this policy, and all statutory and government policy requirements.

¹² NSW Office of Liquor, Gaming and Racing, *Raffles (Community gaming- Lotteries fact sheet 1)*
http://www.olgr.nsw.gov.au/pdfs/gofc_fs_rraffles.pdf

¹³ NSW Office of Liquor, Gaming and Racing, *Best practice guidelines*, Ready Reference Guide
http://www.olgr.nsw.gov.au/pdfs/gofc_fs_ready_reference.pdf

11. FUNDRAISING FOR OTHER ORGANISATIONS

Staff fundraising for organisations other than NSW Health (eg. Lions, Rotary, local community groups, etc) should clearly indicate that they are raising money on behalf of that organisation (not NSW Health) and should at no time be identified as a NSW Health employee. Staff requesting financial and in-kind support from individuals and businesses should not use work-related contacts to seek donations, funds, prizes or sponsorship.

A written proposal confirming details of the fundraiser and approval from the director/manager is to be approved by the Chief Executive/Director-General or delegated officer.

12. DONOR ACKNOWLEDGEMENT AND RECOGNITION

In addition to listing contributions in the Annual Report it is important that fundraisers and donors are thanked commensurate with their contribution. In general an appropriate level of recognition to be given to contributors is determined according to the financial contribution received. A formalised recognition system for donors and supporters consistently reflects the value of the donor to the organisation.

Individual organisations may determine the levels, method and maintenance of recognition, but fundraisers and donors must be fairly and equitably recognised for their contribution. The recognition system should be managed by an appropriate delegated officer, usually the fundraising manager, public affairs manager etc.

Examples of recognition systems include:

- Honour board
- Framed certificate
- Recording in a special book
- Medallion
- Plaque or signage¹⁴
- Recognition ceremonies or special events

If it is considered that a donor deserves extraordinary recognition the proposed recognition should be approved by the Chief Executive/Director-General or delegated officer. For example a major donation to a hospital may result in an Endowed Chair being named in perpetuity, or naming rights to a department, floor or facility.

13. FINANCIAL MATTERS

It is important to determine how funds are raised, held and used as these activities attract different accounting and reporting treatment. All NSW Health activities, whether conducted through the General Fund or SPT Fund, must be conducted in accordance with the normal policies, procedures and guidelines.

For example, normal purchasing and supply policy and procedures should be followed including obtaining the appropriate approvals to expend funds as outlined in the Delegations Manuals.

¹⁴ A plaque must comply with the NSW Health *Plaque protocol PD2006_021*
http://www.health.nsw.gov.au/policies/pd/2006/pdf/PD2006_021.pdf

All expenses incurred in conducting fundraising activities must be charged to the relevant General Fund or SPT Fund account, including direct costs for the activity, and indirect costs such as staff time used to organise and conduct the fundraising event (if on duty at the time). This ensures costs associated with all activities are recorded against revenue generated by such activities.

All donations and fundraising receipts and revenue are to be brought to account in accordance with the relevant provisions of the Accounts and Audit Determination, the the Accounting Manual and the Revenue Standard applicable to the health organisation.

13.1 Fundraising expenses

Persons or organisations conducting appeals for donations must take all reasonable steps to ensure that total expenses payable do not amount to more than 50% of the gross proceeds, as required by the Fundraising Act.

Total expenses of certain lotteries such as a raffle must not amount to more than 60% of gross proceeds, as required by the Lotteries Act. Refer to the *Ready Reference Guide* (see **Implementation Resources**) for details.

In all other forms of fundraising, such as fetes and the sale of goods and services, expenses must be fair and reasonable.

13.2 Spending money raised

Funds received through fundraising must be used in strict accordance with the fundraising agreement. Funds raised for a specific purpose must be used for that purpose. Fundraising activities should specify in general terms the purpose for which money is being raised.

For example the statement “money raised will be used to purchase and maintain equipment” would allow additional funds, over and above those required to purchase the specific item, to be used to purchase other equipment or used for the ongoing maintenance of existing equipment.

If a fundraising campaign is being conducted for the purchase of a specific item, fundraising signage/tickets sold etc should include the statement “any excess money raised will be spent on other equipment”.

Funds received in the form of a donation may only be used in accordance with the conditions of the donation. For example, a donation may specify the funds must be spent on specific equipment or for a particular location. These funds may not be used for another purpose without obtaining the express consent of the donor.

13.3 Investment of fundraising monies

Monies received in the course of a fundraising appeal which are not immediately required to be applied to the purpose or objects of the appeal may be invested only in a manner for the time being authorised by law for the investment of trust funds.¹⁵ All funds are to be invested in accordance with the Public Authorities (Financial Arrangements) Act 1987.

13.4 Donation of shares

The *Health Services Act 1997*, Sections 36 and 57 provides for Health Services to accept property by gift, device or bequest. This may include the donation of shares and

¹⁵ Trustee Act 1925

share options, which are not covered by the *Public Authorities (Financial Arrangements) Act 1987*. (PAFA Act)

In 2004 the Treasurer approved that Area Health Services, the Ambulance Service of NSW and the Royal Alexandra Hospital for Children may:

- Hold donated shares or share options for no more than 30 days before disposal and
- Shares bequeathed on condition that they not be divested, may be held and the value reported annually to Treasury (via the Department)

Conditions of this approval are that these services must:

- Inform prospective donors of the requirements to be observed in respect of donated shares
- Ensure that all shares and share options are disposed within 30 days of receipt
- Hold and use proceeds from the divestment of shares or share options consistent with the acceptance of the initial gift, device or bequest
- Report annually to the Department of Health the value of shares bequeathed that may not be divested.¹⁶

14. TAXATION ISSUES

14.1 Donations and Income tax

Income tax law identifies certain organisations as recipients that can receive tax deductible donations/gifts. This allows the donor to claim an income tax deduction for the amount of the donation to the extent that the donation reduces the donor's taxable income, but cannot create or add to a tax loss.

Organisations can be endorsed so that they can receive income tax deductible donations/gifts, and are called endorsed Deductible Gift Recipients (DGR). All hospitals within NSW Health have endorsed DGR status and have their own DGR reference numbers. This means that deductions are allowable for all public hospitals under the provisions of the *Income Tax Assessment Act 1997*.

14.2 Fundraising and the Goods & Services Tax (GST)

The GST impacts on donations and fundraising activities. Some services incur the GST; others are exempt and are a GST free service. When appealing for donations or gifts, or undertaking fundraising activities the impact of the GST and income tax legislation needs to be considered.

Donations and fundraising activities fall within one of the following GST categories:

- Taxable supplies - subject to GST
- GST free supplies - not subject to GST

14.3 Donations and the GST

To determine the impact of the GST on donations it is necessary to establish if the donation is a 'conditional' or 'unconditional' donation. An unconditional donation made to a non-profit body is not tied to a specific purpose and is specifically excluded from being consideration for a supply. This means that an unconditional donation is not subject to GST.

¹⁶ Public Authorities (Financial Arrangements) Act 1987 Extension of investment powers to NSW Health controlled entities (CIR04/57) NSW Dept of Health file no. 98/2991

A donation made in return for a material benefit to the donor or an enforceable obligation on the recipient to use the funds for a specified purpose is 'consideration for a supply'. The recipient organisation has supplied something in return for the payment. This means that the donation is a conditional donation' and is subject to GST.

The GST Act requires that a tax invoice must be issued if requested by a donor.

14.5 Bequests and the GST

Bequests are treated the same as donations. If the bequest is an unconditional gift then it is not subject to GST. If the bequest is conditional gift it is subject to GST.

15. PRIVACY

Personal information or personal health information should not be used or disclosed for the purpose of any donation, fundraising or sponsorship. Privacy matters related to fundraising must be managed according to privacy legislation and identified in the Privacy Management Plan.

The Chief Executive/Director-General will retain ultimate responsibility for ensuring all fundraising and public support campaign activity complies with appropriate legislation, protocols, codes of practice and guidelines regarding the use of private information.

15.1 Informed consent

Access to personal information for the purpose of fundraising or gaining public support will not be granted unless access was specifically consented to by the client/patient at the point of collection. The right to withhold consent should be made clear at the time such consent is sought.

Clients/patients have a right to withdraw consent at any time and to have their names and addresses removed from any lists held. Therefore:

- Direct mail should contain a statement of the addressee's right to have their name removed from mailing lists
- Correspondence should clearly display the name and full address of the sender

15.2 Limits on what information may be used

Information which may be released with consent is limited to name and address. Information relating in any way to a person's health status is not to be included in information made accessible for fundraising and public support campaigns.

15.3 Use of mailing lists

A mailing list should not be used for any purpose other than that for which it was compiled, unless further consent is obtained from each person on the list. Mailing lists should be securely stored and should remain at all times in the custody of the original compiler of the list.

A member of a fundraising committee may not have access to mailing lists or any personal information held by that committee once they have ceased to be a member of the committee. Committees or individuals are not to release to or exchange with any third party, lists containing personal information. Similarly, mailing lists cannot be sold.

15.4 Accuracy of mailing lists

Mailing lists should be accurate, complete and up to date. Names and addresses should be deleted from mailing lists promptly when requested.

15.5 Organisations with a commercial interest

Personal information regarding clients/patients must not be provided to organisations which may have a commercial interest in such information, even though it may be sought ostensibly for the purpose of offering assistance or advice.

15.6 Donor databases

The donor database is a name given to the complete list of donors, potential donors, supporters, sponsors and all those who may have an interest in the organisation.

Privacy and confidentiality of donor information is a priority. The donor database is held on a secure system at a central location and managed by a delegated person to ensure consistency and adherence to audit and cash handling procedures.

Donor databases may not be sold. "Never to be mailed" requests should be respected and measures implemented to ensure this is achieved.

16. RECORD KEEPING

The Fundraising Act (or fundraising legislation) prescribes the maintenance of proper records and accounts of activity. All fundraising application forms and related documentation must be lodged with the appropriate delegated officer. Raffle registers and raffle completion forms must be submitted at the conclusion of each raffle and departments must keep a copy for their own records.

A record must be kept of the total amount of money received from the sale of tickets as well as the value of the prizes. All records must be retained for seven years after the draw.

All receipts, invoices and other records concerning costs and outgoings, payments received and donations must also be kept.

A raffle coordinator should keep ticket butts for three months after the draw, after which time they may be disposed of.

The organisation of activities, financial records and minutes of decisions should be properly documented according to existing policies and procedures.

See also 'General Retention and Disposal Authority – Public Health Services: Administrative Records' (GDA 21) State Records NSW, section 4.4.0 Donations and Subscriptions.

17. MARKETING, ADVERTISING AND COMMUNICATIONS

The Fundraising Act prescribes that any advertising must show the name of the benefiting organisation and should disclose the appeal's purpose or how the donations collected will be distributed or used.

It is important that an external organisation or foundation is clearly distinguished from NSW Health and that such bodies are not permitted to adopt or use NSW Health's name or names of its facilities/departments, address/s or logo as its own.

The use of NSW Health logos must be strictly monitored to ensure ethical standards are not compromised. Fundraising agreements should include the agreed range of options to which logos, marketing and advertising may apply. These may include signage, advertising copy, media releases, acknowledgement and promotional material. NSW Health media liaison

officers or Departmental corporate communications staff should be consulted prior to release of any material.

Conditional use of the name is only granted when these documents have been approved. Use must comply with Policy Directive '*Corporate Identity - NSW Health*' (PD2005_601).

18. EVALUATION AND REVIEW

The effectiveness of fundraising activities should be evaluated at the conclusion of the activity/campaign etc and a report prepared for the Chief Executive/Director-General or delegated officer, and retained for audit purposes.

19. STAFF AWARENESS AND TRAINING

All relevant staff should be made aware of the fundraising policy, protocols and procedures as part of their induction. Line managers are responsible for ensuring ongoing staff awareness of the policy and relevant contacts within the organisation.

The policy and related procedures and contact information should be accessible on the intranet.

Contact information and internal procedures should be updated as changes occur.

20. PROCEDURES

Procedures and operational matters are defined and developed at local level. They must take into account this policy, other relevant policies, procedures and delegations and local operational practices. It is essential that all statutory and policy requirements are met.

APPENDICES

1. GLOSSARY OF TERMS

Area Health Service

An Area Health Service is a statutory corporation established to provide and manage public health services within a geographical area. There are 8 Area Health Services in the State of NSW, listed in Schedule 1 of the Health Services Act 1997

NSW Health

NSW Health is an expression used to describe the Corporation, the Department of Health and all bodies or organisations under the control and direction of the Minister for Health. This includes the Department of Health, the Health Administration Corporation, Area Health Services, Justice Health, Clinical Excellence Commission, HealthQuest, The Children's Hospital at Westmead, the Ambulance Service of NSW and HealthSupport services.

Public Health Organisation

Public Health Organisation refers to an Area Health Service, a statutory health corporation, or an affiliated health organisation in respect of its recognised establishments and recognised services.

Statutory Health Corporation

Current statutory health corporations are Justice Health, The Children's Hospital at Westmead, The Stewart House Preventorium Curl Curl, Clinical Excellence Commission, and HealthQuest. In contrast with Area Health Services, existing statutory health corporations provide health services other than on the basis of defined areas.

Affiliated Health Organisations

Affiliated Health Organisations (AHOs) are non-profit religious, charitable or other non-government organisations or institutions providing certain health services or health support services that contribute significantly to the operation of the public health system. However, an AHO is not an AHO in relation to all its services and institutions. It is only an AHO in relation to the recognised establishments and recognised services listed in column 2 of Schedule 3 of the Health Service Act 1997 next to its name. St Vincent's Hospital, Darlinghurst and the Calvary Mater Newcastle Hospital are examples of recognised AHOs.

The Department

The Department refers to the NSW Department of Health.

Appeal (Annual Fund, Annual Giving Program)

A regular fundraising activity, often annual but may be more regular, which focuses on a particular purpose e.g. Bandaged Bear Day at the Children's Hospital Westmead

Art Union

A lottery where the total value of prizes exceeds \$25,000. Prizes are distributed by conducting a draw of tickets or marbles from a barrel or other device. Strict guidelines must be met prior to and whilst running an art union. An application must be submitted to the Office of Liquor, Gaming and Racing for an approval authority.

Authorisation

The consent of the authority holder, for a person or organisation to conduct or participate in an appeal on behalf of that authority.

Authority to Fundraise

Under the *Charitable Fundraising Act 1991* an organisation must have an authority to fundraise prior to conducting a fundraising activity, unless exempt from the requirement. The NSW Office of Liquor, Gaming & Racing issues the authority. Authority to fundraise on behalf of NSW Health requires authority from NSW Health prior to the activity.

Benefit/Event

A special event run expressly to raise funds for a particular cause. May include trivia nights, dinners, fashion parades etc

Bequest

A monetary or "in-kind" gift obtained through a person's will. Often a bequest is accompanied by conditions, which have to be observed on the part of the recipient.

Bingo/ Housie

See Games of Chance

Budget

An itemised summary of expected income and expenditure related to a fundraising activity over a specified period, usually a financial year

Capital Campaign

An organised effort to raise funds for an extraordinary and specific item. Capital campaigns or appeals are usually run within a short specific time frame to raise a set amount.

Charitable Trusts

Have a broad meaning and refer to assets that have been donated for a particular objective or purpose. They are held in trust until being applied to that specific purpose. Often there will be no deed of trust or trustees appointed.

Community Service Announcement (CSA)

A fundraising advertisement submitted to media to be aired/printed/viewed at the discretion of the media outlet at no cost to the benefiting organisation

Constituency

A category of donors and prospective donors, such as alumni, patients, community groups, corporations and individuals

Database/Donor base

The database information includes names, addresses, phone numbers and donation histories of supporters of the organisation

Deferred giving

A form of giving that is promised or realised at a later date. The value is not available to the organisation until maturity or term is reached. An example would be an insurance policy, with the organisation named as the beneficiary, or the revenue received from stocks and shares.

Direct mail

Mail sent directly to an address for purposes of information sharing or fundraising. Direct mail campaigns may be subject to bulk mail discounts and this needs to be discussed with Australia Post. A Code of Practice should be established to meet certain requirements, which cover issues of confidentiality, security and invasion of privacy.

Donation

Comes as a gift, usually as money but can be in-kind. Donations have no strings attached and are given, usually out of a sense of association, goodwill, or for taxation benefits

Donor

A person who gives a donation.

Donor Recognition

The policy and practice of recognising donors, first through immediate acknowledgment by card and/or letter, and subsequently through personal expression of appreciation directly to donors, published lists of contributors, etc

Foundations

These organisations raise funds on behalf of an organisation.

Fraud

A deliberate deception, trickery or cheating intended to gain an advantage. The holder of an authority must ensure all assets obtained during, or as a result of, a fundraising appeal are safeguarded and properly accounted for.

Games of Chance

A game of chance in which tickets are sold, one or more of which later entitles the holder to a prize. Lotteries and games of chance must comply with the *Lotteries and Art Unions Act 1901*. Minor lotteries such as raffles may be conducted without a permit. Fact sheets are available from the Office of Liquor, Gaming and Racing. (www.olgr.nsw.gov.au). Examples of games of chance are raffles, art unions, lotteries, bingo/housie

Hospital Auxiliary

Group incorporated as a charitable organisation to raise funds for a specific hospital. A member of the United Hospital Auxiliaries of NSW.

In-kind

Non-monetary gifts given to an organisation, e.g. a building company donating its services to renovate a ward, or a butcher donating sausages for a barbecue. Examples of gifts in-kind include photography services for use at events, soft drinks, framing services, landscaping services, storage, toys, whitegoods, entertainment items, CDs, DVDs etc

Lottery

See Games of Chance

Major Gift Campaign

A specific campaign to raise an amount in excess of \$10,000 for a particular piece of equipment. The campaign may include a variety of fundraising techniques.

Marketing

The means by which an organisation matches its resources (human, financial and physical) to the requirements of its customers and consumers, in order to meet its objectives.

Memorial gifts

A gift which is given as a memorial to someone. This in turn obligates the organisation to maintain the gift as a memorial to the person being honoured.

Patron

Prominent individual who agrees to have their name used on letterheads and other campaign literature in order to convince readers that the campaign or program has high level endorsement and integrity

Philanthropy

“The spirit of active goodwill toward other people, especially as shown in efforts to promote their welfare. Generally, the philosophy and practice of supporting, through financial and other contributions, programs and campaigns.

Raffles

1.1.1 See Games of Chance

Sight Raising

Calculated attempts employing various strategies to induce previous donors, as well as undecided prospects, to raise their levels of giving.

Sponsorship

When one party agrees to do something in exchange for the financial or in-kind support of the other. The sponsor seeks and obtains something of value for the support given.

Staff Social Club

A group of employees with the common aim of organising social events for staff. These events may or not include fundraising.

Telemarketing

Where an appeal is conducted through means of a telephone, the authorised fundraiser must ensure that it conducted in accordance with Part C of the *ADMA Code of Practice* published by the Australian Direct Marketing Association.

Telethon

A television program that involves volunteers and celebrities manning phones in the television studio, with the purpose of raising funds for a nominated charity.

Volunteer

A person giving their time free of charge to an organisation.

2. REFERENCES

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www.olgr.nsw.gov.au
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<http://www.records.nsw.gov.au/recordkeeping/government-recordkeeping-manual/rules/general-retention-and-disposal-authorities/public-health-services-administrative-records-gda/public-health-services-administrative-records-gda>

3. CONTACTS

Australian Direct Marketing Association
GPO Box 3895
Sydney NSW 2001
www.adma.com.au
Phone: 9277 5400

Australian Taxation Office
GPO Box 9990
Sydney NSW 2001
[http://www.ato.gov.au/](http://www.ato.gov.au)

Fundraising Institute Australia
PO Box 642
Chatswood NSW 2067
<http://www.fia.org.au>
Phone: 9411 6644

Independent Commission Against
Corruption (ICAC)
GPO Box 500
Sydney NSW 2001
www.icac.nsw.gov.au
Phone: 8281 5999
1800 463 909 (Toll Free)
Email: icac@icac.nsw.gov.au

NSW Office of Liquor, Gaming & Racing
GPO Box 7060
Sydney NSW 2001
<http://www.olgr.nsw.gov.au>
Phone: 02 9995 0686

United Hospitals Auxiliaries of NSW

4. ACKNOWLEDGEMENTS

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5. NSW HEALTH FUNDRAISING POLICY IMPLEMENTATION CHECKLIST

Requirement	In development	Partial implementation	Mature
1. The Health Service / Department has processes in place to assess (the design, approval and conducting of) fundraising activities for: <ul style="list-style-type: none"> - Compliance with relevant legislation; - Compliance with relevant policy; - Value in terms of return on investment / effort 	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2. There is a framework and/or schedule to structure the review of fundraising activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. The Health Service / Department has clearly identified responsibility for and delegation in relation to the approval of fundraising activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Processes are in place to ensure income from fundraising activities is spent as indicated by the specific fundraising activity proposal, including any funds additional to the primary target purpose.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Results of internal and external audits of fundraising activities are reported to the Health Service / Department Executive.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. There are designated officers available within the Health Service / Department to provide support and guidance to staff undertaking fundraising activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. The Health Service / Department has, easily available to staff, an approved: <ul style="list-style-type: none"> - 'Request to Establish a Fundraising Activity' form - Fundraising Checklist 	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
8. There is a process in place for escalation and management of risks applicable to non-compliant individuals and fundraising activities.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. There is a process for the recognition of excellence in conducting fundraising and of fundraising results.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

LIST OF IMPLEMENTATION RESOURCES

1. COMMUNITY GAMING READY REFERENCE GUIDE
http://www.olgr.nsw.gov.au/lotter_gofc_matrix.html

The following resources are available at

http://internal.health.nsw.gov.au/cgrm/cger/fundraising_implementation_resources.html

2. FUNDRAISING CHECKLIST
3. REQUEST TO ESTABLISH A FUNDRAISING ACTIVITY
4. FUNDRAISING APPROVAL BRIEF
5. FUNDRAISING CONTRACTS GUIDE
6. NSW HEALTH FUNDRAISING CONTRACT