



Chartered  
Institute of  
Fundraising

Excellent fundraising for a better world

# TRUSTEES AND FUNDRAISING

A practical handbook



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# INTRODUCTION

Trustees have a key role to play in ensuring that their organisation's approach to fundraising is in keeping with its purpose, values and culture. A successful fundraising programme is pivotal in securing the resources a charity needs to deliver its objectives and ensure long-term financial sustainability.



Excellent fundraising is about much more than simply raising money. As one of the most visible aspects of a charity's work, fundraising activity represents your charity's values, which set the tone for your public image and brand. Sometimes fundraising activity can unfortunately be disconnected from the rest of the organisation's activities. Trustees have an important role to play bringing the different parts of an organisation together under a shared approach.

This guide will help you ensure your approach to fundraising meets your charity's legal and ethical responsibilities as well as best reflect the values of your organisation.



## Further Reading

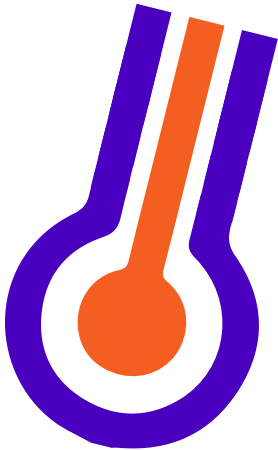
You can find more information on creating organisational policies at the end of this guidance, as well as in the [Further Reading](#) suggestions throughout.

# TEN QUESTIONS EVERY TRUSTEE SHOULD BE ABLE TO ANSWER

- 1** What are your responsibilities when it comes to fundraising?
- 2** Are you confident that your charity is compliant with all fundraising standards and legislation?
- 3** Do you review any fundraising complaints that are received?
- 4** Is your charity transparent and accountable in its approach to fundraising?
- 5** Are you sufficiently investing in your fundraising capacity and activity?
- 6** What is your charity's fundraising strategy?
- 7** Do you have robust processes in place to ensure you have appropriate fundraising policies, systems, and monitoring?
- 8** Which fundraising methods do you use?
- 9** Are you confident that everyone fundraising (staff and volunteers) are doing so legally, and to the standards you expect?
- 10** Are you confident your fundraising expenditure is being used as effectively as possible over both the short and long-term?

# A TRUSTEE'S ROLE

As a trustee, you are responsible for directing your charity's affairs, ensuring that it meets its charitable objectives and that it is properly run. When it comes to fundraising, this means making sure activities are carried out effectively, legally and responsibly.



Your role is to ensure fundraising aligns with your organisation's objectives and is joined up with other teams by including it in plans and strategies. You play a role in the good governance of fundraising – overseeing the processes that make sure you are fundraising according to the values and expectations of your organisation, as well as regulatory and legal standards required.

It is important for everyone on the board to engage with and understand fundraising. It is worth regularly reviewing the make-up of the trustee board to ensure that you have the right mix and levels of skills needed to support the charity's fundraising.



While you won't always need to be a fundraising expert or to get involved in its delivery, you do need to ensure that it is being done well and that supporters are always treated fairly and with respect.





### **Make sure you understand:**

- How your fundraising is being delivered.
- Your fundraising strategy.
- What risks there are from any fundraising activity.
- How many complaints are made about fundraising practice, and how they are dealt with.

### **And think about whether:**

- Fundraisers are sufficiently resourced to do the job.
- Fundraising is recognised as a priority and consequently championed and understood across the organisation.



# WHAT ARE A TRUSTEE'S RESPONSIBILITIES FOR FUNDRAISING?

Each nation in the UK has a regulator for charities which sets out a trustee's responsibilities for fundraising.

The [Charity Commission](#) regulates charities in England and Wales, and sets out key principles in terms of trustee responsibilities in its [CC20 guidance](#):

- 1** Plan ahead to ensure your charity has a sustainable future.
- 2** Supervise your fundraising activity to ensure that it is being delivered appropriately.
- 3** Protect your charity's reputation, money and other assets, minimising risk.
- 4** Ensure compliance with the relevant rules and regulations.
- 5** Identify and follow relevant industry standards.
- 6** Be open and accountable, complying with statutory requirements and addressing queries about the charity's fundraising clearly and honestly.





## Further Reading

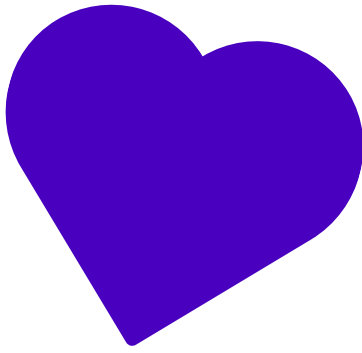
You can find the information relevant to the Office of the Scottish Charity Regulator in our [Scottish Trustees Handbook](#).

The Charity Commission in Northern Ireland also has [guidance on trustees and fundraising](#).

[CC20: Charity Fundraising – A Guide to Trustee Duties \(Charity Commission\)](#).







## Being a trustee for charities both large and small



Being on a trustee board can vary hugely depending on the size of the organisation and its cause. This can bring with it a number of challenging strategic and operational decisions.

For example, while the basic responsibilities remain the same, trusteeship at a smaller charity can often mean little or no staff and minimal financial resources, so there may be a need for a more hands-on approach. You may find you are more likely to be drawn into the day-to-day operational issues, planning fundraising activities, coordinating volunteers and preparing strategy documents, whilst also fulfilling your strategic responsibilities.

With this in mind, you might find it even more important to ensure that the trustee board has the right practical skills mix that the organisation needs to grow and develop.





“ Whatever the size of your charity, when you have your trustee hat on, your job is to ask questions. Big questions, strategic questions. The temptation is to ask questions about how much money was spent on stationery in proportion to the number of staff in the charity, or what the return on investment is for major donor fundraising visits. And there is a time and place for those questions. But they are not the most important. The most important questions are ones that ask things like ‘is this the best way of achieving our objectives?’ ”

**Debra Allcock Tyler, Trustee for Berkshire Community Foundation and In Kind Direct**

## **The Fundraising Trustee**

**Think about the level of your involvement with fundraising:**

- How involved should I get in the charity’s fundraising activities?
- Who can I work with for support: fellow board members, staff, volunteers and/or third parties?
- Am I confident talking to donors and supporters?
- How much time should I give to supporting fundraising?

# UNDERSTANDING THE RULES AND REGULATIONS

There are many rules and regulations in place for charity fundraising which are designed to protect both the public and charities. A good understanding of the regulatory framework and best practice for fundraising is important for all trustees.



While the UK has a voluntary self-regulatory framework for charity fundraising, there are also statutory laws in place for charities.

As a trustee, you are responsible for ensuring that your charity observes all relevant laws and standards. Although the legal framework may seem complex, there are some simple principles to follow and resources to guide you on your way.





## Is your charity meeting regulatory fundraising standards?



- Is your fundraising programme fully compliant with the Code of Fundraising Practice and the law?
- If your charity spends over £100,000 on fundraising each year, have you registered for voluntary self-regulation of fundraising?
- Is your charity registered with the relevant regulatory organisation? (see [page 17](#) for more information)
- Do you have a complaints process for fundraising, and monitor how many complaints you receive?
- Are you legal, open, honest and respectful in all fundraising?
- Is your approach in keeping with the charity's governing objectives?

### The Governing Document

Every charity has a governing document which you must abide by – you can find yours using the register of charities. This should cover the charitable purpose of your charity, i.e. what philanthropic aims founded the creation of the charity and who your charity exists to benefit.



## Staying on the right side of the law

There are many laws that regulate how money is raised and spent. Specific legislation exists for a wide range of fundraising activity, from house-to-house collections to relationships with professional fundraisers.

Depending on your charities' location, these laws are enforced by the [Charity Commission for England and Wales](#), the [Charity Commission for Northern Ireland \(CCNI\)](#) and the [Office of the Scottish Charity Regulator \(OSCR\)](#).

## The role of other regulators

Fundraising is also subject to broader non-charity specific legislation, such as the requirements for gaming, taxation, insurance, child protection and data protection.

### The rules for these are set and enforced by other regulators:

- [Information Commissioner's Office \(ICO\)](#): Data protection regulations, including PECR for electronic marketing.
- [Advertising Standards Authority \(ASA\)](#): The UK's independent regulator of advertising across all media, applying the Advertising Codes, which are written by the Committees of Advertising Practice.
- [Gambling Commission](#): Regulations and operation of gambling activities including lotteries.
- [OFCOM](#): Regulations relating to the UK communications industries, including regulations relating to telephone marketing.
- [Local Authorities](#): Permits for public charitable collections and licenses for small society lotteries.





## How to ensure your charity's fundraising stays the right side of the law

- Avoid conflicts of interest with regard to the acceptance/refusal of donations.
- Ensure that all charity funds are used appropriately, i.e., spent on the purpose for which they were raised.
- Be clear about fundraising and campaign costs when working with third parties.
- Treat donor data responsibly and in accordance with UK legislation.
- Have a written agreement in place with any professional fundraiser or a commercial organisation (see Establish Clear Organisational Policies on [page 35](#)).
- Stay true to your charity's purpose and make sure your fundraising is consistent with your charitable objectives.
- File your annual return with the charity regulator on time, including relevant information about fundraising activity.







“ Trustees are responsible for their charity’s fundraising strategy and must be sure that the standards set out in the Fundraising Regulator’s Code of Fundraising Practice are met. This will help build donor confidence at a time when more than ever charities have to raise funds to provide their services. ”

**Gerald Oppenheim, Trustee for National Emergencies Trust and Chief Executive of Fundraising Regulator**



Charity legislation is regularly reviewed – you should therefore stay up to date with the latest developments set out by your charity’s regulator and the Code of Fundraising Practice.



# How is fundraising regulated in the UK?

Fundraising in the UK is subject to a voluntary self-regulatory system which sets and enforces clear standards of conduct for fundraising. For information on how fundraising is regulated in Scotland, see our [Scottish Trustees Handbook](#).



The Code of Fundraising Practice (the Code) sets the standards to ensure all fundraising across the UK is legal, open, honest and respectful. The Fundraising Regulator manages the Code and works in partnership with the Scottish Fundraising Adjudication Panel to:

- Set and promote the standards of the Code, in consultation with the public, fundraising stakeholders and legislators.
- Investigate cases where fundraising has caused, or has the potential to cause, significant public harm.
- Adjudicate complaints from the public about fundraising practice, where these cannot be resolved by the charities themselves or the complainant is dissatisfied with the way the charity is handling the situation.
- Impose proportionate sanctions where a breach of the code is judged to have taken place.

## The Lead Regulator Model

Under the lead regulator model the [Fundraising Regulator](#) and the [Scottish Fundraising Adjudication Panel](#) assesses complaints. This means that the charity's lead fundraising regulator depends on which country they are primarily registered in, and whether their primary regulator is [OSCR](#) or [The Charity Commission](#).

The Fundraising Regulator investigates complaints with charities whose principal regulator is the Charity Commission, however they could also be registered with OSCR and fundraise in Scotland. Similarly, the Scottish Fundraising Adjudication Panel investigates complaints against charities whose principal regulator is OSCR, although they might also carry out fundraising activities in England and Wales.

# Where are you fundraising?

## Statutory charity regulation

## Fundraising self-regulation

### What rules must be followed?



#### Charity law

Charity law is devolved, so there are different laws that apply in Scotland, Northern Ireland and England and Wales.



#### Code of Fundraising Practice

The **Code of Fundraising Practice** outlines the standards expected of all charitable fundraising in the UK.

### Who does it in Scotland?



#### Scottish Charity Regulator

Scotland's independent Regulator and registrar for Scotland's charities.



#### Scottish Fundraising Adjudication Panel

The Panel are the independent body responsible for overseeing fundraising standards in Scotland and adjudicating on fundraising complaints for charities registered solely in Scotland.

### Who does it in the rest of the UK?



#### Charity Commissions

The Charity Commission for England and Wales and the Charity Commission for Northern Ireland register and regulate charities in their countries.



#### Fundraising Regulator

The Fundraising Regulator holds the **Code of Fundraising Practice** for the UK and deals with fundraising complaints about charities not solely registered in Scotland.

# Ethics and best practice



Building trust and confidence in your charity and the wider sector is of the utmost importance, and trustees are responsible for ensuring that their organisation is not just doing things legally, but to the highest possible standards.

The rules for fundraising are set out in the Code of Fundraising Practice. Charities should regularly review them and set clear policies for their fundraising, in keeping with your own ethical values (see [Establish Clear Organisational Policies](#) on [page 35](#)).

While trustees can be held legally accountable for all aspects of a charity's work, accountability and transparency are at the heart of all ethical fundraising. You can give donors, beneficiaries and other stakeholders a better understanding of how your charity works and fundraises by being accountable and transparent.

Ensure you are always clear and open about your fundraising. Don't shy away from answering questions about how your organisation is run, its costs, policies and more.

## Accountability

is about being responsible for, and able to explain, clarify and justify actions. Charities have a duty to be accountable as they have a privileged status because their purposes must be for the benefit of the public.

## Transparency

is about being easy to understand, and being open and honest in all communications, transactions and operations.



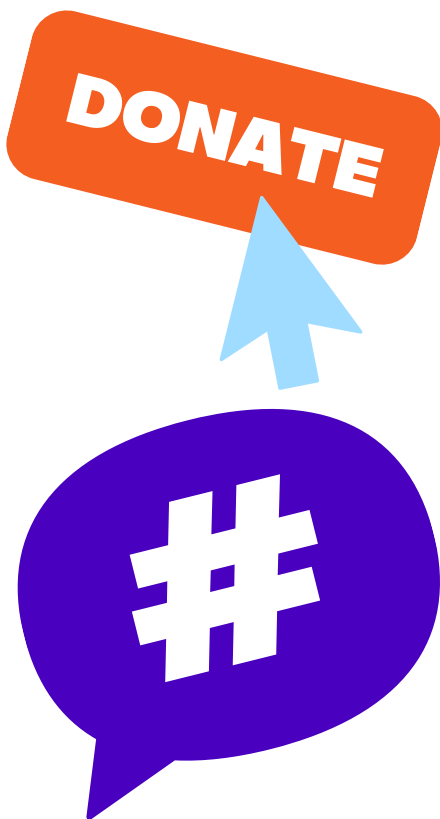
## Is your charity's fundraising accountable and transparent?

- Is information about your fundraising programmes provided on your charity's website and your annual report, and is this easily accessible?
- If appropriate, do you file details of any fundraising complaints with the Fundraising Regulator?
- Are you, your board colleagues, staff and volunteers willing and prepared to answer questions about how you fundraise?



# PLANNING FOR A SUSTAINABLE FUTURE

We live in a fast-moving world where technological and social developments mean donor behaviour and giving preferences are continuously changing. This opens up new and exciting ways to fundraise, whilst also providing opportunities to raise the profile of your charity. Think about how best to use these opportunities to create a robust strategy that can generate long-term income.



There is no one-size-fits-all approach to writing a fundraising strategy that delivers your organisation's objectives. This means that you need to find the way that works best for you, your fundraisers and stakeholders.

It also means investing in and resourcing fundraising and your fundraisers appropriately. A continued investment in fundraising is important to secure your organisation's future and meet the needs of beneficiaries.

Trustees should explore potential income across a spectrum of activity. This not only spreads risk, but also ensures that organisations are able to protect their independence and safeguard their future, while also taking advantage of emerging trends and techniques.





“ Without fundraising charities simply would not exist. Many small to medium sized charities are often hindered by lack of capacity and usually that is to the detriment of their fundraising abilities. As a current Trustee of a small charity, I believe my role should be to bring experience, networks and my own fundraising skills to support that charity in meeting its income targets. Why should a trustee engage with fundraising? Well, because it is our role to ensure that the charity meets its objectives for long-term sustainability – the buck stops with us! Being a trustee isn’t just about the adulation of being associated with a charity, it’s about getting behind a cause you believe in and making it successful.”

**Stacey Lavery, Trustee for The Comedy Trust**





# How can I ensure our fundraising approach is sustainable?

- Make fundraising an organisational priority, tabled at every board meeting.
- Develop a clear, realistic and longer-term fundraising strategy.
- Invest in your fundraising and fundraisers, ensuring they have the right level of resources, staffing and training.
- Diversify your income streams – don't put all your eggs in one basket.
- Monitor and review fundraising activity.
- Ensure that the charity considers fundraising activities from the perspective of the donor and wider public.
- Regularly review and assess risks linked to your fundraising programmes, setting policies for any sensitive aspects of work.
- Make sure targets and KPIs are achievable to avoid fundraisers burning out.



## Further Reading

You can find out more on how to avoid fundraiser burn-out in our resource [Wellbeing and Fundraising](#).



## A successful fundraising strategy

A fundraising strategy is a lot more than the consideration of one approach over another – it lays out your organisation’s approach to fundraising, sets goals, and outlines a clear pathway for achieving them.

While you may not need to actually write the strategy yourself, your opinions and objectivity – together with those of experienced fundraisers– will help guide your organisation in working towards and achieving the goals set out in the strategy.

Your strategy is the backbone of your fundraising. Getting it right requires time and attention at an early stage, and the involvement and expertise of people both inside and outside your organisation. Trustees will need to review the organisation’s plans for income generation as a whole. How will fundraising fit into your organisation’s full funding picture and how dependent is your organisation on each income stream?

Review whether your fundraising capacity is sufficient to secure funds from diverse income sources on an ongoing basis. Does your charity need to expand its fundraising team, train existing fundraisers in new techniques or work with volunteers or third parties?

# What is your charity's fundraising strategy?



When developing or reviewing a fundraising strategy, you will need to have a clear understanding of your current fundraising base and its scope for development.

## Ask yourself:

- What resources (both financial and staff) do we need to meet these plans? Will we rely on paid, freelance or volunteer support, or share the fundraising task among the existing staff or trustees?
- What areas of fundraising do we rely on to deliver these resources – is the mix appropriate?
- What aspects of our fundraising programme have been most successful and what are we most dependent on?
- How much of the income we receive is restricted (tied to a particular project or piece of work) and how much is unrestricted?
- Do our fundraising and finance strategies line up?
- Are the expected budgets on the financial return of our fundraising spend realistic?
- Is fundraising integrated across our organisation?



## Further Reading

[What's next? Fundraising Strategy After COVID \(THINK Consulting Solutions and Chartered Institute of Fundraising\)](#) – provides an overview of the different ways to plan, execute and evaluate a strategy.

[Developing a fundraising strategy in a small charity \(Small Charities Coalition, The National Lottery Community Fund and Chartered Institute of Fundraising\)](#) – specific guidance on fundraising strategy to aid smaller charities.

# Who does what?



Successful fundraising charities recognise that everybody has a role to play in supporting fundraising, even if you're not directly making the ask.



## Who delivers your fundraising?

Know who is responsible for managing and delivering your fundraising activity. Although this may vary from campaign to campaign, typically this might include:

- In-house fundraising staff – for organisations with a continual need to generate funds.
- In-house staff who fundraise as a part of their role.
- Fundraising consultants and agencies – for the delivery of campaigns that extend beyond the capacity/reach of the charity and its staff.
- Volunteers – for organisations that can manage and support a volunteer workforce, this can be an important way of extending your reach.

Day-to-day fundraising duties will usually lie with staff, volunteers or other experts, but at many smaller charities or grass-roots community groups, trustees may be the only people with the skills or resources to fundraise for the organisation and will need to be much more hands on. (See [A Trustee's Role on page 5](#)).

Even if your role as a trustee doesn't require you to raise funds directly, there are many things you can do to help your organisation fundraise.



## How trustees can support fundraising

- Make fundraising an organisational priority – setting clear policies so that everyone in the organisation understands its importance and supports your approach.
- Encourage the organisation to put fundraising issues on the agenda of Board and relevant sub-committee meetings on a regular basis.
- Ensure that fundraising is sufficiently well resourced (in terms of staffing, volunteers, budgets etc.).
- Look out for changes in the external environment (whether political, economic, regulatory) and share knowledge and information with staff and other trustees.
- Offer your professional skills, expertise and contacts to guide fundraising approaches to new markets.
- Host a fundraising event or take part in a sponsored challenge.
- Talk to colleague, clients, friends and family about the charity's work, sharing your enthusiasm of the cause and your experience of donating.





“ Trustees have an obligation to steer their organisation to do the best for their service users. For any cause, having the financial resource is key to driving forward the agenda and this starts with an appreciation of this from the Board. Understanding the budget, and the importance that fundraising plays, is integral, from donated income to trust applications and legacy gifts. Trustees should know the myriad of ways that their organisation can be supported, so their passion can further contribute to its impact. ”

**Anaish Parmar, Trustee for Magpie Dance**



# Fundraising specialists



Working with third party fundraising specialists (such as fundraising agencies, consultants and commercial participators) is often the most effective way to deliver new campaigns, increase fundraising capacity, and spark new ideas.



Utilising the expertise of a partner is often particularly important for charities that do not have the necessary expertise or resource in-house, for those that want to trial a fundraising technique or are looking to get an appeal off the ground quickly.

You will need to reassure yourself that the charity's arrangements with any commercial partner are compliant with the Code of Fundraising Practice and are set out in a written agreement between the two parties.



These agreements will need to include terms for adhering to fundraising standards, compliance measures and how the commercial organisation will protect people in vulnerable circumstances. You will also want to be confident that your charity will see sufficient return on the costs of activity delivered.

Be aware that there are legal requirements in place when working with 'professional fundraisers' and 'commercial participators'.



# Who delivers your fundraising?

## **Professional Fundraiser**

is any person carrying on a fundraising business as defined in the law of England and Wales, or Scotland.

## **Commercial participator**

is any person who carries on a business (other than a professional fundraising business) and, in the course of that business, promotes goods or services on the basis that it will make donations to a charitable institution (this does not include a connected company).

Fundraising businesses and businesses connected to charitable institutions are not commercial participators.





## Questions to ask

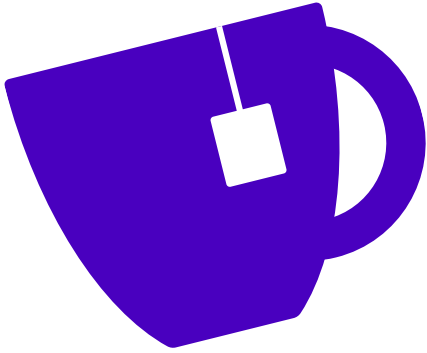
- Which third parties do we work with?
- How do we select any third parties?
- Do we have appropriate due diligence procedures?
- What ethical policy do we have in place for working with third parties?
- Does the charity have a written agreement in place with all third parties?
- What standards do we require of third parties and how do we monitor adherence with those standards?
- Is the fundraising agreement in the best interest of the charity?



### Further Reading

You can find out more on creating partnerships in our guidance [Successful Partnerships for Sustainable Fundraising: a practical guide for charities working with agencies](#) (Chartered Institute of Fundraising)

# Staff and volunteers



Typically, fundraising will be carried out by your staff and volunteers, with support from others in the organisation and trustee board. It is important that everyone knows their responsibilities, that there is a clear fundraising strategy and policies in place, and that the board is regularly updated on progress.



It is estimated that there are more than 22 million volunteers working with UK charities each year. When it comes to fundraising, this might involve cash collections, selling raffle tickets, participating in sponsorship events and more. Charities simply couldn't function without support from volunteers. And yet, working with volunteers also carries a degree of risk and charities must ensure that controls are put in place to guide volunteers about how to fundraise legally and respectfully.

It's also important that volunteers are properly managed and supported in their fundraising. Volunteers need to be trained and equipped with the necessary skills to fundraise. This is not only to ensure that fundraising is carried out to a high standard by everyone representing the charity, but also to enable volunteers themselves to have a positive and enriching experience.





“Engaging with fundraising isn’t only important for ensuring your charitable aims are being properly addressed, but it’s also a great opportunity to offer your own unique insights and make a difference, not just in terms of objectives, but to the fundraisers within the charity. The work of fundraisers is undoubtedly invaluable, and they deserve to be recognised, appreciated, and supported at every turn. There is also a great deal we can, and should, learn from them - their insights will likely impact every function of the charity, so engaging with them whenever you can will make you a better trustee.”

Anne Hughes, Trustee for Children 1st





# Managing risk and reputation



Charities face some level of risk in most of the things they do, including fundraising. The diverse nature of the sector, how it fundraises and its activities mean that individual charities face different levels of risk and exposure.



Identifying and managing the potential risks that your charity may face is a key part of effective governance for charities of all sizes and complexity.

Your charity should have a risk management plan in place to ensure you are confident and well informed in making your decisions and able to withstand the associated risks. However, it is important that you do not rely on documents and policies, but have the right culture and ways of working that identify and respond appropriately to risks.



Risks should be effectively managed – that doesn't just mean ensuring there are no risks at all, but that they are identified and mitigated. You should strive to create a culture of effective risk management within your organisation. This depends on individuals understanding the risks facing the organisation, the level of risk that the trustees find acceptable and a clear process for escalating strategic risks to board level. Risk management needs to be owned by all staff, including fundraisers.

By managing risk effectively, trustees can help to ensure that their charity is able to take appropriate action, safeguard its reputation and, most importantly, effectively achieve its aims. Without effective risk management there is always the danger that a charity can be blown off course by an unforeseen event. Regulators will also expect your charity to have a robust approach to risk management.



Ultimately, all risks must be approached from the point of view of your charitable objectives. It is acceptable to take risks where the benefits for beneficiaries are proportionate. For example, developing a fundraising campaign which keeps your charity solvent or generates resources for a new service. However, where the risks endanger achieving your charitable objectives or endanger your reputation, trustees must think carefully and ensure that they have appropriate risk management processes in place.



## Further Reading

[Code of Fundraising Practice: Section 2.2 on Risk Assessment \(Fundraising Regulator\).](#)

[CC26: Charities and Risk Management \(Charity Commission for England and Wales\).](#)

[Risk Management for Charities: Getting Started \(Institute for Risk Management\).](#)

[Rethinking Risk: Beyond the Tick Box \(Sayer Vincent and Charity Finance Group\).](#)

# ESTABLISH CLEAR ORGANISATIONAL POLICIES

Clear internal policies should set out your organisational views on a particular issue. Their purpose is to ensure that a coherent and consistent approach is maintained at all levels of the organisation, providing clarity and improving efficiency for anyone handling potentially difficult situations.



Identify relevant issues from your risk management plan and make a note of the policies you should have in place. Rather than drafting detailed and lengthy documents, it is important for policies to be easy to read and accessible for all staff, partners and third parties. They should be regularly reviewed to ensure they remain up-to-date and that current issues are covered.

Whether a policy is prepared by charity staff or the trustee board, you will certainly need to approve it at board level.



## What policies does/should your charity have?

Typically, your charity will want to develop a policy statement for any particularly important, sensitive or controversial aspect of your fundraising programme, such as:

- Complaints.
- Acceptance and refusal of donations.
- Fundraising with people in vulnerable circumstances.
- Working with third parties, commercial partners and volunteers.
- Data protection.
- Safeguarding.



# Acceptance and refusal of donations

Carefully consider gifts from sources that might be seen to compromise the charity's best interests, independence or reputation.

A policy will help establish some general principles for how these decisions are made, considering the charity's ethics and the level of authority required to make these decisions. This may be dependent on factors such as the size and type of the gift, when specialist legal advice must be sought and timelines for acting on those decisions and communicating with relevant supporters.

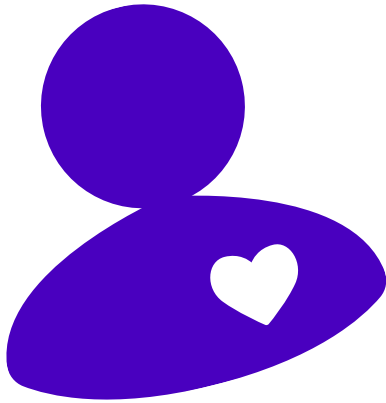
Remember to set out the charity's position on anonymous donations, being mindful of due diligence and risk of your charity receiving funds from an illegal source.

It is also important to remember here, however, that it is the trustee's duty to do what is right for the charity, and that personal opinions about a particular business or industry are not relevant in this context.



## Further Reading

You can find out more about how to develop policies on accepting and refusing donations in our guidance [Acceptance, Refusal and Return: A Practical Guide to Dealing with Donations](#) (Chartered Institute of Fundraising) and the [Code of Fundraising Practice guidance on donations](#) (Fundraising Regulator).



## Fundraising complaints

Does your charity have an open and accessible complaints process in place? This will not only help to enhance public confidence, but ensure that any issues are addressed promptly and at the appropriate level of the organisation.

A complaints policy will set out the organisation's procedure for dealing with complaints internally, or for referring them elsewhere such as the relevant charity regulator, Information Commissioner's Office or Advertising Standards Authority. It will also help your charity to understand whether it needs to make any changes and improve practice.

## Working with people in vulnerable circumstances

Fundraisers often come into contact with people who may be in a vulnerable circumstance, or need additional support to make an informed decision. This can be difficult to determine – the person is likely to be a stranger to the fundraiser and the interaction can be short-lived and remote. A vulnerable people policy can help guide your charity's approach and ensure a general awareness of the signs of vulnerability.

If a fundraiser believes that anyone is unable to make an informed decision then they should not accept a donation from that person. If a donation has already been made, the charity should return that donation.



## Is your charity making sure that all your donors and supporters are treated fairly?

- Always consider your fundraising programme from supporters' perspective – how will they react to your fundraising?
- Treat all supporters fairly, enabling anyone to support or get involved with your charity, as appropriate.
- Ensure that your fundraisers act appropriately when dealing with potentially vulnerable people.
- Regularly review the Code of Fundraising Practice for any updates.
- Consider your fundraising from a supporter's perspective.



## Working with third parties

Make sure your charity has a clear policy in place for your approach to working with third parties, commercial partners and volunteers for the delivery of your fundraising (see Fundraising Specialists on [page 28](#) for more about working with third parties).



### Further Reading

You can find out more about working with people in vulnerable circumstances in our [Guidance on treating donors fairly](#) (Chartered Institute of Fundraising), and [Successful Partnerships for Sustainable Fundraising: a practical guide for charities working with agencies](#) (Chartered Institute of Fundraising).





# Financial controls and processes

Your charity will need to have effective financial controls in place for the way that the charity receives, processes and records donations. As a trustee, you have a legal responsibility to manage your charity's resources effectively. Although effective financial controls and processes are not a legal requirement, failure to have these in place is evidence of mismanagement and may be penalised by the Charity Commission.



## Robust financial controls and processes include:

- 'Buy in' from the top of the organisation (i.e. not relying solely on the treasurer, chair or chief executive to manage the organisations finances).
- Segregation of duties (i.e. not concentrating all financial management on the treasurer or finance manager).
- Effective budgeting and cash flow management.
- Appropriate risk management.
- Regular flow of information to trustees.
- Access to expert advice (e.g. auditor, independent examiner, lawyer).
- A diverse range of board expertise.
- Regular reviews.
- A clear understanding of legal and regulatory responsibilities.

For audit purposes, charities need to establish a system that will ensure record keeping that is consistent and accurate. There will also be additional requirements if the charity uses tax reliefs such as Gift Aid. Policies will need to cover all the necessary processes, appropriate to your charity's size, activities and complexity.



“ As a trustee, we often have to make difficult decisions to make sure our charities continue delivering our charitable objectives long-term. Funding and fundraising is a critical component of this. Trustees must involve their fundraisers in this process – setting unrealistic targets puts stress on every part of the organisation. Respect your fundraiser’s knowledge and experience and support them to generate new income. ”

**Elizabeth Balgobin, Trustee for National Emergencies Trust**





# Monitoring and measuring success

Ensure that your charity's fundraising programmes are monitored both in terms of performance and compliance with legal and best practice standards. It is important to reassure yourself that fundraising activity is generating sufficient funds to ensure the organisation's future and that high standards are being maintained at all times.

As the strategy is being delivered, trustees should expect to receive regular reports keeping them informed as to whether fundraising is on target, and be flexible enough to change the strategy when necessary. Consider what you will measure and how to establish how successful the organisation has been, celebrating progress and challenging staff where this has not been achieved. That doesn't just mean counting income and expenditure against targets, but thinking about how you are measuring the quality of your fundraising using other indicators.

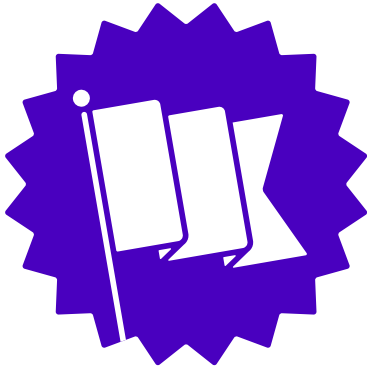
Remember to report back to your donors and supporters on your fundraising progress, thanking them for their donations and highlighting the impact of funds raised. Let them know what a difference this has and will make to the beneficiaries of the charity's work.





**TOP TIP**

**Top Tips**



- Add a regular agenda item on fundraising performance at trustee meetings.
- Review whether your fundraising performance reports are fit for purpose.
- Ask what your key metrics are and will be – aim to measure a range of progress indicators including income, reach, supporter satisfaction.
- Take the time to understand your charity's fundraising and the role it plays within a wider context.
- Celebrate fundraising achievements to motivate and inspire staff, donors and beneficiaries alike.
- Revisit the fundraising strategy if it has not been successful and seek to establish what may have gone wrong and whether it needs to be changed.
- Set up a sub-group or committee of the board.



# WHO GIVES AND HOW?

Fundraising takes place in a fast changing environment, bringing new and exciting opportunities for income generation. Charities often use a range of fundraising techniques, which can differ substantially depending on the size, scope and budget of the organisation, as well as the cause and history.



## General principles of good fundraising

- Encourage your fundraisers to be innovative, whilst also weighing up the potential risks.
- Fundraisers should have a clear expectation of the cost/benefit of each type of activity or campaign.
- Help fundraisers maintain good relationships with supporters by ensuring fundraising activities are clear and transparent.
- Try to look at fundraising proposals from the donor's perspective – what does this activity say about the charity, how effective is it likely to be and what will it enable the charity to achieve.
- Your organisation should expect to invest time and money, and focus both on the expected return and on keeping expenditure within acceptable limits – you don't get something for nothing.



“ Trustees play a pivotal role in helping fundraising teams innovate to reach new audiences and improve supporter experience. Having fundraising-specific experience on a board is now not just a nice-to-have, but a must-have. Listening, learning from fundraisers and encouraging them to try new things can turn a good fundraising strategy into a great one that inspires people to give. ”

**Matt Smith, Trustee for Edinburgh Dog and Cat Home**





# £10 billion

The UK public gives over £10 billion to charities each year in donations.

# £4.305 billion

A total of £4.305 billion has been gifted in 2021/2020 from high-value givers.

# 8,800

grant-making trusts in the UK, giving £1.7 billion a year.

## Who Gives?

Voluntary income includes raising funds from individuals, trusts, foundations, corporate partners and government.

### Individual Donors

The UK public gives over £10 billion to charities each year in donations. While ad hoc one-off donations (typically in response to charitable appeals) tend to be the most common way to give, it is regular giving (usually via Direct Debit) that generates the highest sums for good causes. This stable, reliable income stream is the goal for most charities, allowing you and your fellow trustees to plan for the future and increase efficiency.

Major donors, philanthropists and legacy givers, the latter who donate more than £2.4 billion a year, are an extremely valuable source of income and can completely change a charity's future. A total of £4.305 billion has been gifted in 2020/21 from high-value givers.

A further £3.5 billion a year comes from other fundraising activities (e.g. charity shops, events and raffles).

### Trusts and foundations

There are around 8,800 grant-making trusts in the UK, giving £1.7 billion a year. In fact, grants are the most common way of fundraising for charities. They are an important source of funds, but finding the right grant requires investigation and planning.

**TOP TIP**

Most major foundations give clear criteria for funding, so your organisation can save time and money by only making applications where your plans fit the criteria.



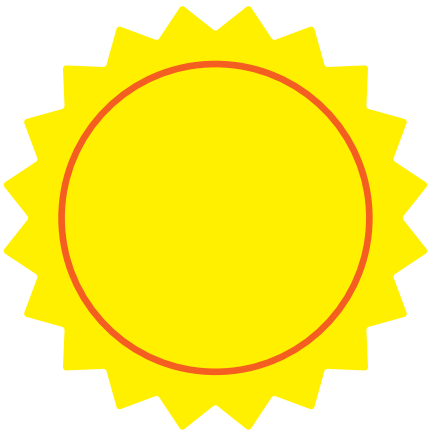
## Businesses

Companies have become increasingly charitable, recognising the need to demonstrate social responsibility, to invest in the community in which their employees are based and the causes their workforce care about. Make sure you regularly review any relationships with businesses, to ensure they reflect your common values and interests.



### TOP TIP

If you have links to a company, explore the many ways that they may be able to support the charity (giving money, resources, staff time, training and skills), as well as what the charity can offer in return, ranging from fulfilling their corporate social responsibility remit to employee engagement, positive PR opportunities and more. Aim to ensure that relationships with businesses are expanded to become a corporate relationship or partnership where there are genuine benefits on both sides of the table.



## Community

If your charity has a strong local presence, community fundraising can be an effective way of reaching a wider audience and mobilising volunteers. This is where charities work at a local level, at the grassroots, to raise funds from the surrounding communities.

From local clubs and societies to schools, there are thousands of community-based charities who fundraise either individually or as part of a local group of charities.

# Fundraising Methods

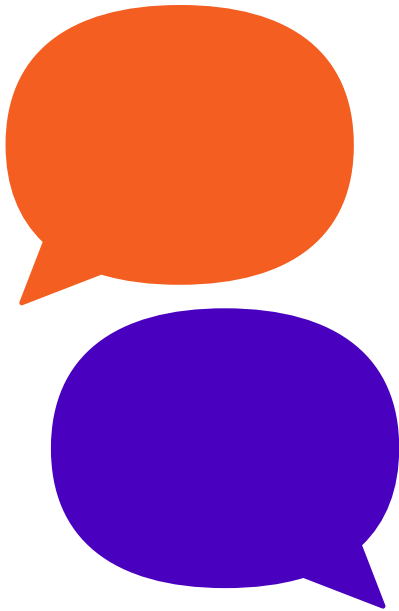


Charities typically use a mix of techniques to attract and retain donors. A successful strategic approach to fundraising will ensure that your organisation is not locked into one source or technique, but considers which options are best suited to the organisation and potential supporters.

When choosing a fundraising method, you will need to consider the merits and risks, likely fundraising costs (see Fundraising Costs on [page 57](#)) and returns for each activity, as well as the bigger picture; how they might work together as part of your organisation's wider fundraising portfolio.

“ Oversight of fundraising is central to the good governance of a charity. It is something which is primary and central to trustees responsibilities. Even where fundraising practice is delegated, boards must retain oversight of the overall approach to ensure it supports the charity's purpose, is sustainable, compliant and ultimately delivers a reasonable return on investment for the organisation. These considerations sit alongside the need for boards to balance risks and potential reward of any fundraising activity as well as ensuring that fundraising is conducted in such a way that is ethical and supports the charity's values. ”

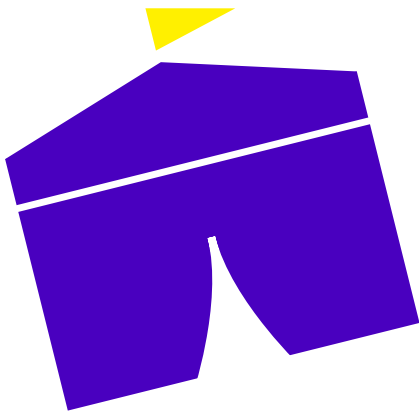
**Dan Francis, Trustee for Hackney Council  
for Voluntary Services and Lead Governance  
Consultant at NCVO**



# Questions to Ask – Choosing Your Fundraising Methods

- What are the advantages and disadvantages of each method, including the risks (both financial and reputational)?
- What are the likely costs and returns?
- Will these methods/campaigns enable us to meet our fundraising goals – short or long term?
- Who will deliver the campaign?
- Are we confident enough to stand by our fundraising decisions?





## Public and private collections

Charity collections can happen on the street, house-to-house, or with collection boxes in shops, restaurants or even in supporters' homes. Cash collections are typically carried out by volunteers, while Direct Debit donor recruitment campaigns are usually delivered by Professional Fundraising Organisations. While the latter tend to require far greater fundraising investment, they can be an important way to recruit longer-term regular donors. There are rules for the way that collections should be carried out and licensed.

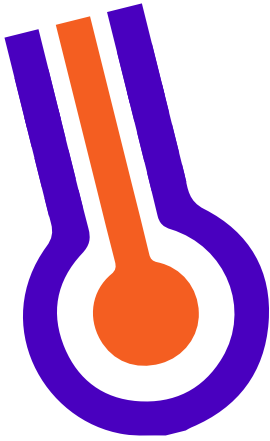
## Events

Balls, exhibitions, concerts, auctions – events often feature as a part of major appeals. These can be hugely successful for many organisations and are a great opportunity to showcase your charity and engage with potential donors. But, they can also require a lot of resources, so you must consider the cost and risks, as well as the benefits of organising any event.

## Sponsored walks/runs/challenges

Sponsored events have long been a core part of many charities' fundraising programmes, but with increasing familiarity of the online giving portals, it has become an even more important channel, particularly for many smaller charities. People can be sponsored for almost anything and it can be a great way to encourage the local community and volunteers to help your charity. If you host your own sponsorship events, seek to attract lots of participants and engage local media.

To ensure that your charity can benefit from other sponsorship events, from the London Marathon to a local skydive, make sure that this is made as easy as possible by providing materials and guidance for people who want to raise money for your charity.



## Raffles and lotteries

Raffles, tombolas, sweepstakes, prize draws, competitions and lotteries have always been used by charities, both large and small. Regulations vary depending upon the type of activity.

## Major appeals

Often called 'capital' or 'big gift' campaigns, major appeals can be a great way to develop longer-term supporter relationships, extend your organisation's supporter base and raise substantial funds – but cannot be undertaken lightly. It will take time and resource, as well as personal or individualised approaches and continued high levels of supporter care, if you are to succeed in major donor fundraising.

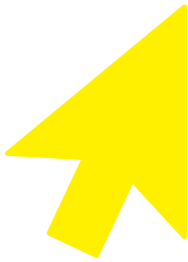
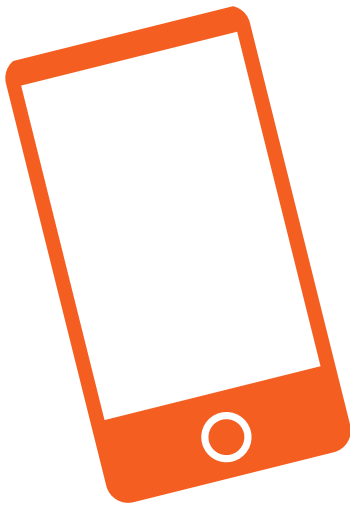


## Direct marketing

Direct marketing is an important income generation tool for charities, be it direct mail, email, SMS, telephone, or face-to-face fundraising. Be aware that the more personalised approaches, by their nature, tend to be more successful and engaging, but they can also carry greater risk of causing concern. This could be where a charity has failed to remove a deceased person from a mailing list or tried to solicit funds from a supporter who simply doesn't like the method. With any direct marketing approach, it is critical that charities adhere to the contact preferences of supporters and carefully guard supporters' data.







## Digital

There are numerous ways to raise money through digital platforms, be it via charity websites, social media, mobile giving platforms, peer-to-peer channels and more. With the growth of social media, an increase in mobile phone usage, and transition to contactless payments, digital fundraising has become increasingly important and accessible for charities and their supporters.

## Advertising

Charities can also advertise on TV, radio, newspapers or other spaces (train stations/online). Advertising is a good way to reach a large and new group of people and spark their interest in your cause. However, some advertising can be very costly so it's important to weigh up the costs and benefits.





# Tax Effective Giving

Many tax reliefs are available for donors and charities, which can be a strong incentive for people to give and to give more, while also boosting the value of donations to your charity.

Although Gift Aid is now relatively well known in the UK, many charities do not make use of the full range of tax incentives available to them and their supporters.

## Tax Incentives for Giving

**Gift Aid:** Charities claim an extra 25p on every pound donated from UK taxpayers.

**Gift Aid Small Donations Scheme:** Allows eligible charities and community amateur sports clubs (CASCs) to claim a top-up payment equivalent to Gift Aid on small cash donations they receive.

**Payroll Giving:** Employees who give directly from their salary benefit from a deduction to their PAYE tax.

**Giving land, property or shares:** When supporters donate land, property or shares, they can claim income and capital gains tax relief.

## Gift Aid

Gift Aid enables a charity to increase the value of donations from UK taxpayers by 25p per £1 donated when donors permit that charity to claim back the basic rate of tax that they have paid on that donation. Higher rate taxpayers can also reclaim the difference between their higher and basic income tax bracket.



## Payroll Giving

Payroll donation schemes enable employees to give directly from their salary, reducing the PAYE tax due on their earnings. Employers must sign up with a Payroll Giving Agency (PGA) who distributes donations to employees' favourite charities.



## Giving land, property or shares

Although gifts of land and property might not come about very often, such gifts are likely to be of significant value to your charity and could be used for charitable purposes. People who donate land, property or shares can benefit from reductions to their income and capital gains tax bills.

## Legacies

Charities in the UK receive around £3 billion from gifts in Wills a year, according to Remember a Charity's research. Because all charitable legacies are exempt from Inheritance Tax, gifts in Wills enable donors to reduce the tax payable on their estate.

### Remember A Charity



is a consortium of over 150 UK charities working to make legacy giving a social norm. The annual legacy awareness week, **Remember A Charity in your Will Week**, takes place in September.

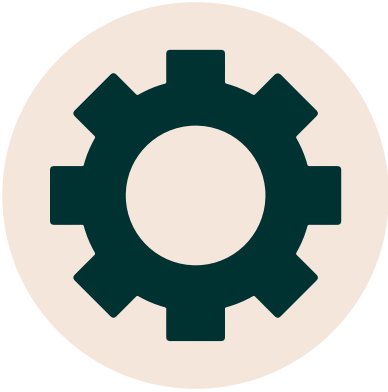
## Giving by business

There are many ways that businesses can get tax relief for their charitable support. Donations can include cash, shares, gifts in kind or employee vouchers. All companies are entitled to tax relief when they give money to UK charities, but the benefits work differently for limited companies, self-employed people and partnerships.

# Fundraising Costs



Fundraising costs can and do vary widely, depending on the method, reach of the campaign, cause and more. While there is no set level for what is acceptable in terms of fundraising costs, as a trustee, you will have the overarching responsibility for your charity's use of funds and must make these decisions carefully.



Be aware that very high fundraising costs may not reflect well on the charity and can be a cause for public concern. At the same time, some campaigns will cost more at the front end or take longer to come to fruition but can still be an effective and important part of your fundraising strategy.

This is particularly true of campaigns delivered by third parties or legacy fundraising, where returns can be substantial, but take some time to materialise. Meanwhile, community fundraising can be very low cost to deliver, but also tends to offer low returns.

There is almost always a cost to fundraising, even if that cost is staff time, managing resources or the cost of processing donations. Always be honest and help your supporters understand your fundraising decisions.





## Can you justify your fundraising costs?

- Make sure you find out the fundraising cost and likely return for campaigns or activities – does the return on investment seem reasonable?
- If you have any activities with high costs, know why this is and make sure the organisation has a policy statement prepared.
- Regularly review your fundraising costs, particularly among any poorly performing campaigns to assess progress against targets and adjust your strategy accordingly.
- Be open and transparent about what you spend on fundraising and why.
- Remember, if you are on the Board of a bigger charity (where the gross income exceeds £1 million) you have a legal duty to include information about your fundraising practice within your annual report.



“ Innovation is a key foundation in every strong fundraising programme and for it to work, the board must engage with fundraising to support a culture of confidence in taking on activity with managed risk. A good starting point for any trustee is to learn about fundraising methods – new and conventional. Ask questions about fundraising ambition and approach; have open, constructive conversations with fundraisers about needs and expectations. Work together to unlock the expertise in the organisation; fail and succeed together. ”

**Rob Alcroft, Trustee for ABandOfBrothers**



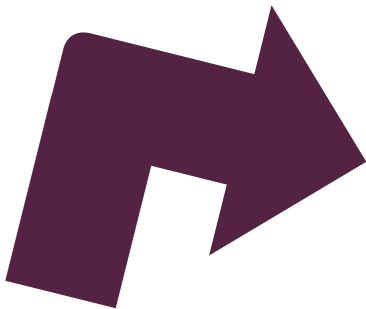
# PUTTING YOUR KNOWLEDGE INTO PRACTICE

Having read this handbook, we hope that you will have come away with a clear idea of how you, as a trustee, can help your charity raise funds effectively and, above all, how to ensure any fundraising is compliant with the law and best practice.



The first thing we suggest is to review what you're doing already. Talk to the people responsible for your fundraising and staff, understand what your charity has been doing and who is donating. Don't be afraid to ask questions.

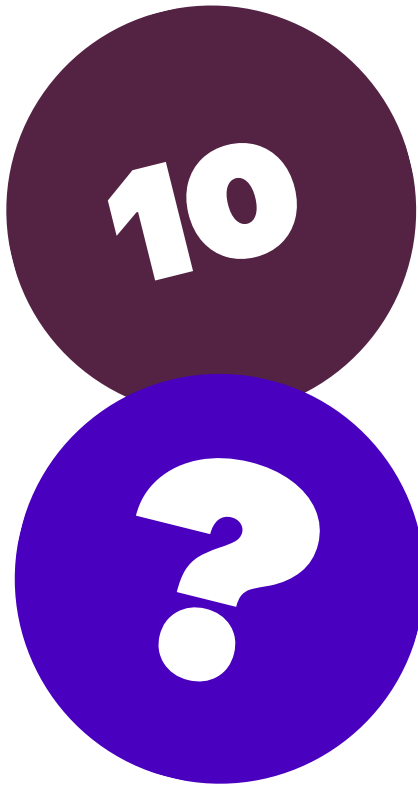
We have highlighted the need for your organisation to keep on top of any changes in charity law and fundraising regulation. You will need to do all you can to ensure that you establish and nurture an organisational culture that prioritises best practice, open and accountable fundraising. In doing so, you not only nurture your supporters – the lifeblood of any fundraising charity – but you protect your organisation from both reputational and financial risk.



This handbook addresses the need to ensure the sustainability of your charity's fundraising, by regularly reviewing your fundraising strategy, policies, methods used and how each campaign is delivered. We have emphasised the need to monitor your costs and returns as you would in the commercial world. And if something isn't working, don't be afraid of making changes, pulling back and trying something different.







## 10 tips to being a successful and supportive fundraising trustee

- 1 Everything begins with a strategy:** successful fundraising is based on clear strategic thinking and your charity's fundraising approach should be integrated with your overall organisational strategy.
- 2 Think long term:** ensure sustainable planning is at the heart of your organisation's fundraising.
- 3 Do the right thing:** always consider the legal and ethical implications of your organisation's fundraising, taking into account the values of your charity.
- 4 Don't put all your eggs in one basket:** where possible diversify your organisation's fundraising strategy.
- 5 Listen to advice:** talk to others about their fundraising experiences and ask relevant charity sector bodies for advice.
- 6 Put yourself in your donors' shoes:** imagine yourself as a supporter on the receiving end of one of your charity's fundraising approaches. How would you feel? What would you do? Would you give?
- 7 Play your part:** think about what you can do to ensure your organisation's fundraising is successful and done to the highest standard?
- 8 Ask the right questions:** use this guide to identify the issues and questions you need to consider.
- 9 Work as a team:** success requires building and sustaining good relationships with staff, third parties and volunteers.
- 10 Keep it on the agenda:** you should keep fundraising on the agenda, reviewing regularly and keeping up to date – don't be complacent!

Look back at the ten questions every trustee should be able to answer at the start of this guide (see [page 4](#))

# Further Reading



## Governance

- [CC20: Charity Fundraising – A Guide to Trustee Duties \(Charity Commission for England and Wales\)](#)
- [CC26: Charities and Risk Management \(Charity Commission for England and Wales\)](#)
- [Guidance on managing your charity \(Office of the Scottish Charity Regulator\)](#)
- [Charity Essentials – Fundraising \(Charity Commission for Northern Ireland\)](#)

## Risk management

- [Risk Management for Charities: Getting Started \(Institute of Risk Management\)](#)
- [Rethinking Risk: Beyond the tick box \(Sayer Vincent and Charity Finance Group\)](#)



## Fundraising

- [Guidance on acceptance and refusal of donations \(Chartered Institute of Fundraising\)](#)
- [Successful Partnerships for Sustainable Fundraising: a practical guide for charities working with agencies \(Chartered Institute of Fundraising\)](#)
- [Treating Donors Fairly – responding to the needs of people in vulnerable circumstances \(Chartered Institute of Fundraising\)](#)
- [The Code of Fundraising Practice \(Fundraising Regulator\)](#)
- [Guidance for trustees \(Fundraising Regulator\)](#)
- [Webinar on trustee responsibilities \(Fundraising Regulator\)](#)
- [Webinar on handling complaints \(Fundraising Regulator\)](#)
- [The Charities \(Protection and Social Investment\) Act 2016: reporting requirements \(Fundraising Regulator\)](#)
- [10 steps to setting up a fundraising appeal \(Fundraising Regulator\)](#)
- [Key behaviours expected on fundraisers: guidance for fundraisers \(Fundraising Regulator\)](#)
- [Charity bags: guidance for fundraisers \(Fundraising Regulator\)](#)



## Useful links

- <https://ciof.org.uk/>
- [www.fundraisingregulator.org.uk](http://www.fundraisingregulator.org.uk)
- [www.gov.uk/government/organisations/charity-commission](http://www.gov.uk/government/organisations/charity-commission)
- [www.charitycommissionni.org.uk](http://www.charitycommissionni.org.uk)
- [www.oscr.org.uk](http://www.oscr.org.uk)
- [www.acevo.org.uk](http://www.acevo.org.uk)
- [www.cfg.org.uk](http://www.cfg.org.uk)
- [www.ncvo.org.uk](http://www.ncvo.org.uk)

## About the Chartered Institute of Fundraising

Together we are the future of fundraising. We champion our members' excellence in fundraising. We support fundraisers through professional development and education. We connect fundraisers across all sectors and skill sets to share and learn with each other. So that together we can best serve our causes and communities both now and in the future.

[ciof.org.uk](http://ciof.org.uk)

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