



Fundraising, Donations and Refund Policy

Policy & Procedure Owner	ERFA Board	
Approved by	ERFA Board of Directors	
Date Approved	Date of last revision	Next review
17 September 2018	August 2018	August 2019

Abbreviations/ Definitions	ERFA	Edmund Rice Foundation (Australia)
	ACFID	Australian Council for International Development
	CEO	Chief Executive Officer

Purpose **The purpose of this policy is to guide ERFA’s procedures for the clear and consistent acceptance or rejection of donations. The Policy ensures that ERFA is able to maintain its independence from donor influences. The Policy protects the interests and reputation of ERFA and guides the management of donations and the conduct of fundraising activities.**

Responsibility ERFA’s CEO is responsible for overseeing adherence to this Policy and to authorizing all fundraising activity.

ERFA Donor Relations Managers are responsible for implementing strategies, targeting and developing new donor relationships, managing existing donor relationships and for delivery of fundraising initiatives.

Definitions

- **Donation** means voluntary contribution or gift, whether in cash or kind. Donations will have the following characteristics:
 - The payment or transfer is made voluntarily
 - The payment or transfer arises by the way of benefaction
- **Donor** means any person or organisation making a donation to ERFA
- **Endowment** is a donation made with the intention that funds are invested to ensure ongoing support for beneficiaries from the investment earnings
- **Bequest** means a donation of cash, property or other resources by will of codicil
- **Fundraising activity** means all activities undertaken by or on behalf of ERFA with the aim of receiving donations
- **Pledge** means a documented commitment to make a donation within a specified period of time
- **Prospect** means a prospective donor, i.e. an individual or organisation with both the financial capacity and the likely inclination to support ERFA via donation or a bequest
- **Recognition** means actions taken by ERFA to recognise the generosity of donors, individually or collectively
- **Tied donations** refer to any donation given and received for a specified purpose that cannot normally be used for any other purpose without the donor’s approval. For example, education in

specific projects. Tied donations may have an end date

- **Untied donations** refer to any donation given and received for no specified purpose that can be used at the discretion of ERFA
- **Will** refers to a legal declaration of a person's wishes regarding the disposition of their property after death

Implementation Plan

- All staff involved in the handling, acceptance and management of donations and involved in the organisation and delivery of fundraising activities on behalf of ERFA are to be instructed and supported in the utilisation of this Policy.

Related policies

- Financial Policy & Procedures
- Privacy Policy
- Conflict of Interest Policy
- Child Protection Policy

Related forms

- ERFA Donation Processing Form (Appendix 1)
- ERFA Donor Form (Appendix 2)

1. ERFA STATUS

Edmund Rice Foundation (Australia) is a not-for-profit international development organisation which supports community-based sustainable education programs in developing countries as well as projects for disadvantaged groups within Australia.

Donations and fundraising activities are a critical component of the ERFA's organisational purpose and vision. ERFA reports on and acknowledges the contribution made by individuals, groups, organisations, official bodies and partners in funding and supporting its work. ERFA complies with the ACFID Code of Conduct and ACFID Fundraising Charter in its annual reporting and financial statements including full and accurate disclosure of administration and public fundraising costs.

Edmund Rice Foundation (Australia) is a company limited by guarantee under the Corporations Act 2001 (Commonwealth). The objects of the Company are set out in Item 3 of ERFA Constitution including:

The objects for which the company is established are to act as trustee of a Relief Fund, a Charitable Fund or an Ancillary Fund and as such trustee and also in its own right to pursue the following objectives:

- *To provide to Developing Countries by means of a comprehensive, economic, social, cultural and political process projects of constant improvement which aim at the wellbeing of peoples resident in Developing Countries with the peoples of Developing Countries freely and meaningfully participating in such projects with there being a fair distribution of the benefits that result from the projects.*
- *To assist and promote charitable works within Australia in particular for the relief of poverty, distress, sickness and helplessness of people in necessitous circumstances and the advancement of education for Australian youth who suffer underprivilege, disability, remoteness and other disadvantage or any charitable work conducted managed or promoted by the Religious Institute.*

- *To solicit donations and gifts for the purpose of carrying out the objects of the Company.*

ERFA has Overseas Aid Gift Deductibility Scheme (OAGDS) status, which enables ERFA to receive tax deductible donations for overseas aid development and/or humanitarian assistance activities in developing countries as declared by the Minister for Foreign Affairs.

ERFA has Deductible Gift Recipient (DGR) status, which enables ERFA to receive tax deductible donations for the relief of poverty and disadvantage within Australia.

ERFA acts as trustee for the following funds:

Edmund Rice Overseas Aid Fund - for tax deductible donations for overseas development projects - ABN 85 413 988 107.

The Trustee for Edmund Rice Foundation Trust - for tax deductible donations for the relief of poverty and disadvantaged within Australia - ABN 37 665 490 818.

Edmund Rice Foundation (Australia) - for non-tax deductible donations and all non-tax deductible income (such as most school monies), tickets, auctions, sponsorship – ABN 28 153 110 055.

The first two of these are governed by trust deeds under which, in both cases, ERFA is the Trustee.

As Australian income tax deductibility is critical for successfully raising funds from Australian donors. ERFA regards compliance with OAGDS requirements as of the utmost importance. Accordingly, the following principles are followed to ensure compliance:

- ERFA operates on a not-for profit basis, that is, money must not be distributed to members of the Board or Trustees of ERFA except as:
 - re-imbusement for out-of pocket expenses incurred on behalf of ERFA, and
 - as proper remuneration for any administrative services provided.
- Gifts and deductible contributions made to ERFA are kept separate from any other funds and separate bank accounts with clear accounting procedures are in place.

2. POLICY PRINCIPLES

The principles underpinning this policy are:

- transparent and ethical processes for the acceptance, rejection and management of donations and fundraising activities;
- protecting the confidentiality of donors and sponsors consistent with their wishes and to the extent provided by law;
- adequately identifying funds and using them for the purpose for which they were provided;
- compliance with all relevant Australian and State legislation governing fundraising;
- compliance with the ACFID Code of Conduct and the ACFID Fundraising Charter; and
- utilisation of a strategic, consistent and coordinated approach for the seeking and acceptance of donations.

3. SOLICITATION OF DONATIONS AND FUNDRAISING ACTIVITIES

Solicitation of donations may be undertaken through various CEO approved methods including, but not limited to, direct mail, events, appeals, proposals or face-to-face invitations. Approval to solicit donations must be obtained from ERFA's CEO, be within the parameters as set by ERFA's strategic and fundraising plan and be compliant with relevant Australian and State legislation.

Staff, board directors, volunteers, and other partners wishing to undertake the soliciting of donations or fundraising activities for ERFA must first seek approval by contacting ERFA's CEO. Requests should outline whom they will be approaching and the methods they intend to use. All promotional materials must be signed off by ERFA's CEO prior to circulation.

ERFA requires that the following standards be complied with in all fundraising activities undertaken:

- legislative requirements in all relevant States or Territories must be met
- all statements must be truthful and accurate
- ERFA's identity and purpose (including ABN and address) must be clearly stated
- the purpose for which donations are being collected must be clearly stated, and
- free, prior and informed consent for the use of materials (stories and images) must be obtained.

ERFA requires that material used to promote all fundraising activity:

- is factually accurate, truthful and not likely to deceive or mislead any person
- correctly identifies ERFA (including name, address, ABN and purpose)
- identifies the objectives of the fundraising activity
- accurately represents the context, situation, proposed solutions and intended meaning of information provided by affected people
- has the approval of the specific project when that project is promoted as the recipient of the fundraising activity (and when a project's trademark is utilised)
- be part of a positive campaign to build public awareness, understanding and support for the objects and vision of ERFA
- complies with the Competition and Consumer Act 2010, and
- complies with the relevant State or Territory legislation in connection with fundraising activities.

ERFA requires that images and messages used for all fundraising activity will not:

- be untruthful, exaggerated or misleading (e.g. not doctored, created as fiction or misrepresent the people, situation, location)
- be used if they may endanger the people they are portraying
- be used without the free, prior and informed consent of the person/s portrayed, including children, their parents or guardians
- present people in a dehumanized manner
- infringe ERFA's Child Protection Policy and in particular, not show children in a naked and/or sexualized manner, or
- feature dead bodies or dying people.

4. ACCEPTANCE AND REJECTION OF DONATIONS

Donors are encouraged to provide written advice to ERFA with details of their donation, including the identifying amount, purpose, and if appropriate, pledge period of time.

Acceptance

Donations in cash or kind are accepted by ERFA with the intention of supporting ERFA's vision, development projects and/or humanitarian aid activity in line with ERFA's constitution, vision and strategic plan.

ERFA accepts donations only under the premise that no material benefit or advantage will be provided to the donor.

No staff or volunteers engaged in activities resulting in or relating to receipting of donations (e.g.

fundraising, donor liaison) on behalf of ERFA will grant or accept favours for personal gain and they will avoid any real or perceived conflicts of interest in line with ERFA's Conflict of Interest Policy.

Rejection

ERFA only accepts donations where they are ethical in nature and consistent with the organisation's strategy and vision. ERFA reserves the right to reject an offered donation including where:

- the activities of the donor are incompatible with ERFA's objects, vision and strategy
- the cost of accepting the donation will be greater than the value of the donation, or
- there is reason to believe that accepting the donation may give rise to litigation.

Where an offer of a donation is not accepted, the CEO and senior management will determine the appropriate manner in which to transparently convey to the donor ERFA's decision.

5. DONATION TYPES AND PAYMENT METHOD

In-Kind Donations

Staff must seek advice from the CEO with regard to the potential impact on ERFA prior to accepting any in-kind donations.

Method of Donation Payment

ERFA accepts donations via a variety of methods including: cash, cheque, credit cards, direct deposit, money order, resources and approved forms of in-kind donations.

Other (non tax-deductible payments)

Certain fundraising activities are not regarded as philanthropic, and do not generate donations. Such activities include immersion programs and sponsorship or attendance at a fundraising event. However, the provider of the funds relating to these activities may require specific acknowledgement of their support (including receipting). Staff should liaise with the CEO in every instance to ensure consistency in acknowledging cash and in-kind contributors.

6. RECORDING AND MANAGING DONATIONS

ERFA will receive, bank and process all donations in a timely manner. Any copies of documentation such as letters, cards, notes and agreements will be filed appropriately.

ERFA is responsible for ensuring that all monetary funds received by donors are deposited into the correct bank account for either domestic or overseas donations (and separate from general operations). ERFA must ensure that:

- the funds are deposited within 72 hours of receipt into the appropriate ERFA account
- the donor is issued with an official receipt for tax purposes, and
- appropriate acknowledgement and letter of thanks is sent to the donor.

ERFA will maintain a secure fundraising database that will record sufficient information in order to manage the donation with regards to the donor's intent. Each record may contain:

- the name and contact details of the donor or their legal representative
- the type of donation (cash, in-kind, bequest, etc.)
- a description of the donation (cheque, cash, credit card, pledge, in-kind services)
- the value of the donation, including pledge period, if appropriate
- the conditions of the donation (if applicable) including whether the donation is to be endowed and the terms of the endowment
- the purpose to which the donation is to be used (e.g. Australian projects, overseas projects)

- the receipt details (including receipt number and date)
- the recognition provided to the donor by ERFA
- the history of contact with ERFA, and
- who was responsible for soliciting the donation and who is responsible for nurturing the donor relationship.

In the case of donations made in-kind the amount of the donation recorded will be that amount stipulated through independent valuation.

Tied donations will be managed separately and in accordance with the donor's intent. Wherever possible ERFA will use the donation in accordance with the original specified purpose and conditions. Where this is not possible, ERFA will contact the donor, or their representative, to discuss alternative acceptable purposes, or refund.

ERFA will inform the donor (or their legal representative) of the use to which donations have been disbursed, the amount of the disbursement, and if appropriate, the recipient.

ERFA will prepare timely acquittal reports in line with the original agreement with the donor (if any).

ERFA's annual report and annual financial statements are available online at www.erf.org.au.

7. PROCESSING DONATIONS

The following procedure is to be followed for processing donations:

Donations made in person, by email, mail or telephone:

- An ERFA donation form is to be completed by the donor or by the ERFA representative accepting the donation.
- The donation payment (cash, cheque or credit card details) is to be attached to the ERFA donation form.
- Payment is to be banked.
- Relevant staff member (database and administration coordinator) will enter information from donation form into donor database.
- A receipt and acknowledgement is issued to donor by relevant ERFA staff member.
- Finance team distributes bank statements of all accounts on a daily basis to relevant staff member (database and administration coordinator) to reconcile any outstanding amounts.

Donations made online through website:

Donations made online through ERFA's secure website at https://erf.org.au/donate_now/ are recorded automatically through Raiser's Edge (ERFA's donor database). The process for these donations to be undertaken by the relevant staff member (database and administration coordinator) is:

- Transaction to be downloaded.
- Donor information to be updated.
- Receipt and acknowledgement is issued to donor by relevant staff member.

Donations made online through BPoint or via direct bank deposit:

- Finance team distributes bank statements of all accounts on a daily basis to relevant staff member (database and administration coordinator) to reconcile any outstanding amounts.
- Donor Relations Managers notify Database and Administration Coordinator regarding any bank deposits or known BPoint payments including:

- i. Where the funds/donation originated (donor name), and
 - ii. Allocation and coding of the funds/donation.
- c. The Database and Administration Coordinator will update the donor information in the database.
- d. Receipt and acknowledgement is issued to donor by relevant staff member.

8. PROTOCOLS FOR HANDLING DONATIONS, AUCTIONS AND RAFFLES AT ERFA EVENTS

The following protocols apply to all cash situations such as ticket sales, raffles and auctions. They are in place to:

- Protect the organization from fraud and theft.
- Protect staff or volunteers from accusations of dishonesty or temptation.
- Assure donors that their donations are used for the purpose for which they were given.
- Process:
 - All cash received to be counted and recorded by two individuals.
 - Cash to be counted and held in a secure place until it is banked.
 - Income summaries are to be reconciled at the event.
 - Records of all cash payments are to be completed on forms supplied.
 - Cash to be kept in a secure location (preferably a safe) and banked ASAP.
 - Where possible all tickets to be sold prior to the event to reduce the requirement for cash collection on the day.
 - An individual to be nominated to assist with cash handling responsibility.
 - Donors and guests to be encouraged to use ERFA website, online payment systems, credit cards or cheques to reduce cash handling.
 - Volunteers handling cash are to be given clear instructions and to be clearly identified per section 13 below.
 - Donor details are required for receipting purposes.

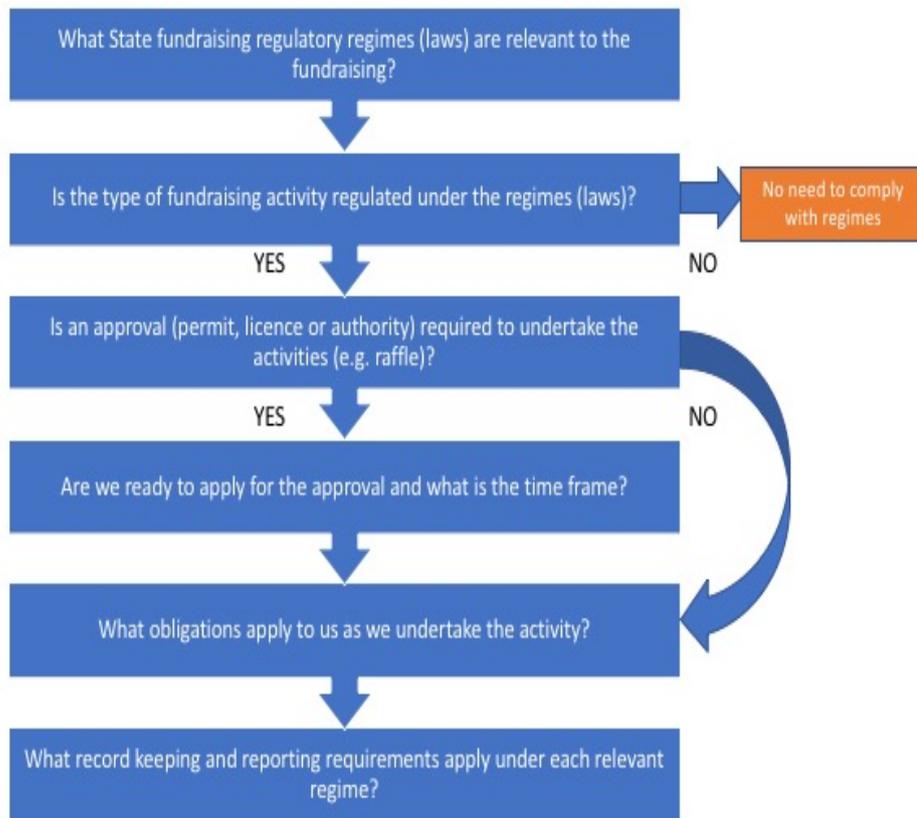
9. PRIVACY

ERFA is bound by the Commonwealth Privacy Act (1988). Information gathered by ERFA about its donors in the normal course of receiving donations is also subject to ERFA's Privacy Policy.

10. FUNDRAISING ACTIVITIES

Fundraising activities must comply with this Policy and be consistent with the objects, vision, strategy, ethical framework and policies of ERFA.

When planning a fundraising activity, ERFA staff will identify the activity, location and target audience. They will then assess what compliance the activity requires. Further information on this can be found utilizing the resources in Section 16 "Resources" below and in particular, Justice Protect at www.nfplaw.org.au. The following flow chart provides a process for compliance:



11. TAXATION

No person representing ERFA is to engage in speculation about the taxation implications or legal status of donation with respect to the potential impact of the donor. ERFA representatives may state only that donations to ERFA of \$2 or more are tax deductible in Australia by quoting our ABN.

Donors are encouraged to seek independent professional advice about the taxation status and any other business or legal implications associated with their donations.

For taxation purposes, an independent valuation of the goods or services is required where a donation is made in-kind. The donor is responsible for arranging and paying costs associated with the valuation of the goods.

ERFA manages two (2) Deductible Gift Recipient funds and donations of \$2 or more are tax deductible in Australia. Details of these are outlined in Section 1 above.

12. DONOR MANAGEMENT AND RECOGNITION

ERFA will manage its relationships with its donors and prospects in a transparent and respectful fashion. Donors or prospects may have multiple affiliations and interactions with different staff members and board members. ERFA staff and board members should be aware of these relationships and seek to acknowledge them during their interactions with donors.

ERFA will always adopt a donor-centric approach to requests for philanthropic support, based on an understanding of the donor's interests as well as ERFA's needs. However ERFA will not design a new program/project or fund an activity based purely on donor feedback/requests nor will ERFA channel funds to a project not specifically approved by ERFA's Board for funding. ERFA's funding and

donation acceptance decisions will recognise and balances both donors and affected people but will give primacy to the primary stakeholders (beneficiaries).

ERFA will ask for donations in a planned and coordinated way to maximise potential success and discourage inappropriate, ill-considered, or multiple approaches to potential donors.

Donations should be sought for the project(s) and area judged most likely to receive a donation from a prospective donor, based on an understanding of the prospective donor's interests.

Once a donation or pledge has been received, effective management and appropriate recognition of donor relations encourages donor loyalty and provides a compelling case for the donor's continued support.

13. DONOR'S RIGHTS

Having regard for those who make donations to ERFA, it is a requirement that the processes for handling donations includes:

- information on how to cancel a donation and request a refund (see 15 below)
- security measures used to protect the Donor's information (see also Privacy Policy)
- those collecting donations (e.g. at fundraising events) are wearing authorised identification stating that they are volunteers or staff members and are able to produce appropriate identification
- there is a clear statement about the purpose of the fundraising, and
- there is a financial report available to donors which reports on the appeal.

14. EXCESS FUNDS

Should ERFA raise funds for a specific purpose, the public will be notified if excess funds have been raised via any campaign. The public will be informed via social media, email, post or ERFA's website that funds can be returned or otherwise used for related campaigns, activities or projects.

15. REFUND POLICY

Any request for refund of contributions to ERFA by a donor will be considered and determined on a case-by-case basis.

When a request for a refund is received, an assessment of the reason given for the refund request will be undertaken by ERFA's CEO and referred to the Board if necessary.

16. RESOURCES

Australian Charities and Not-for-Profits Commission – Charity Fundraising:

https://www.acnc.gov.au/ACNC/Manage/Manage_charity_money/Charities_and_fundraising/ACNC/Edu/Charities_and_fundraising.aspx?Noleft=1&hkey=c10a199f-fb1f-4720-8397-34130c96afd5

Australian Taxation Office links to State, Territory and Local Government Fundraising Requirements:

<https://www.ato.gov.au/Non-profit/Gifts-and-fundraising/In-detail/Fundraising/>

Guide to Fundraising Laws in Australia:

https://www.nfplaw.org.au/sites/default/files/media/Guide_to_Fundraising_Laws_in_Australia_1.pdf

State Fundraising Laws and Licences:

<https://www.nfplaw.org.au/fundraising>



ERFA /Overseas/Domestic

Donation Process Form

Donor Name	
Address	
Email	
Phone	
Amount	
Code	

Payment Method

<input type="checkbox"/> credit card	<input type="checkbox"/> cheque	<input type="checkbox"/> cash
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Receipting

- email receipt directly to donor
- return receipt to _____ (enter name)



Donation Form

(all donations over \$2 are tax deductible)

Name _____
Address _____
Suburb _____ State _____ Post Code _____
Email _____
Contact Number _____

Please accept my gift of \$ _____

I require an emailed receipt

Payment details

Please debit my credit card

We accept Visa, Mastercard or American Express

Name _____

Card Number _____

Expiry ____/____

Signature _____

Tick relevant box below if you wish this to be a recurring donation

monthly quarterly

Your credit card will not be charged on the event day. It will be charged post event. This document will then be destroyed.



Donation Form

(all donations over \$2 are tax deductible)

Name _____
Address _____
Suburb _____ State _____ Post Code _____
Email _____
Contact Number _____

Please accept my gift of \$ _____

I require an emailed receipt

Payment details

Please debit my credit card

We accept Visa, Mastercard or American Express

Name _____

Card Number _____

Expiry ____/____

Signature _____

Tick relevant box below if you wish this to be a recurring donation

monthly quarterly

Your credit card will not be charged on the event day. It will be charged post event. This document will then be destroyed.