



Fundraising, Donations and Refund Policy

Policy & Procedure Owner		ERFA Board
Approved by		ERFA Board of Directors
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Purpose The purpose of this policy is to outline Edmund Rice Foundation Australia’s (ERFA) procedures for the effective and ethical acceptance and management of donations and the conduct of fundraising activities.

This policy applies to all donations, bequests and fundraising activities and to anyone who is involved in the raising and collection of funds and management of funds donated for ERFA purposes.

Responsibility Each State Chapter is responsible for Fundraising and reports to the CEO. The National Donor Relations Manager is responsible for implementing strategies and managing donor relationships and for delivery of fundraising initiatives. The Strategic Development Manager is responsible for targeting and developing new donor relationships.

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

The following definitions apply for the purpose of this policy:

- **Partner**

Edmund Rice Foundation Australia (ERFA) is a company limited by guarantee. The objects of the company are set out in clause 3 of ERFA’s constitution. Clause 3 (f) reads as follows:

To develop partnerships with overseas aid agencies or formal arrangements with other delivery agents related to the Company but resident in Developing Countries for the implementation of the objects in paragraph (a).

One of ERFA’s roles is to act as trustee of the Edmund Rice Overseas Aid Fund.

Throughout its policies and official documentation ERFA uses the term **Partners** for those organisations with which it has formed alliances in developing countries for the receipt of overseas aid funding for the in-country delivery of education, health and development projects. These are not partnerships in the legal sense. Rather they are alliances for funding that ERFA has formed with in-country organisations with whom ERFA has communicated its vision, mission, values, policies and expectations with respect to sustainable development and whose own vision, mission, values, policies and development goals are congruent with those of ERFA.



- **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 or 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 • Provided to 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.

Related policies • Financial Policy & Procedures
• Privacy Policy



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- Related forms
- ERFA Donation Processing Form (Appendix 1)
 - ERFA Donor Form
 - Annual Fundraising Strategy

1. PURPOSE

Edmund Rice Foundation (Australia) is a not-for-profit community development organisation which works with the impoverished and disenfranchised to liberate lives. ERFA provides funding to support sustainable health and education projects in developing countries as well as projects for disadvantaged people within Australia. Donations and fundraising activities are a vital component of the ERFA's organisational goals and mission. ERFA acknowledges the contribution made by individuals, groups, organisations, official bodies and partners in funding and supporting its development programs.

This policy outlines ERFA's policy and procedures for the effective and ethical acceptance and management of donations, the conduct of fundraising activities and the appropriate management and recognition of donors.

This policy applies to all donations, bequests and fundraising activities and to anyone who is involved in the raising and collection of funds and management of funds donated for ERFA purposes.

2. ERFA STATUS

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:

- *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 development projects in developing nations.



ERFA had 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. Bank account 063000-10494483

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. Bank 063000-12341149

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. Bank account 063000-12178310

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 policies 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-imbursment for out-of pocket expenses incurred on behalf of ERFA;
 - As proper remuneration for any administrative services provided.
- Gifts and deductible contributions made to ERFA are kept separate from any other funds of the Christian Brothers and separate bank accounts with clear accounting procedures are in place.

3. POLICY

The principles underpinning this policy are:

- a. Transparent and ethical processes for the acceptance and management of donations and fundraising activities;
- b. Protecting the confidentiality of donors and sponsors consistent with their wishes and to the extent provided by law;
- c. Adequately identifying funds and using them for the purpose which they were provided;
- d. Compliance with all relevant legislation governing fundraising;
- e. Utilisation of strategic, uniform and coordinated approach for the seeking and acceptance of donations.

All donations in cash or kind are made to ERFA with the intention of supporting ERFA's mission and development projects.

No ERFA board members, staff, volunteers or other representatives may make formal



approaches for fundraising purposes unless coordinated with, and approved by, senior management, including appeals, events, and private requests.

ERFA only accepts donations where they are ethical in nature and they are consistent with the mission and goals of the organisation. ERFA reserves the right to refuse an offered donation.

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

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 should seek their own independent advice about these matters.

4. SOLICITATION OF DONATIONS

Solicitation of donations may be undertaken through various 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 senior management and be within the parameters as set by the fundraising plan.

Staff, board directors, volunteers, and other partners wishing to undertake the soliciting of donations or fundraising activities for ERFA must seek approval by contacting senior management. Requests should outline whom they will be approaching and the methods they intend to use.

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

- All statements must be truthful and accurate;
- Include ERFA's identify and purpose (including ABN and address);
- State what the donations are being collected for and what they will be used for;
- Use of photographs which are misleading that could create a false impression or misunderstanding are not permitted

ERFA requires that any Promotional Material used to promote a Fundraising Activity:

- is factually accurate, truthful and not likely to deceive or mislead any person;
- correctly identifies ERFA;
- identifies the objectives of the fundraising activity;
- has the approval of the specific project when that project is promoted as the recipient of the fundraising activity (and when a project's Trade Mark is utilized);
- be part of a positive campaign to build public awareness, understanding and support for the objects of ERFA;
- complies with the Competition and Consumer Act 2010 and the Australian Consumer Law and Fair Trading Act; and
- complies with the relevant State or Territory legislation in connection with fundraising activities.



5. ACCEPTANCE OF DONATIONS

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

ERFA will process donations in a timely manner, in accordance with relevant legislation, and will issue a receipt upon acceptance of a donation.

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

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 donor may require specific acknowledgement of their support. Staff should liaise with senior management in every instance to ensure consistency in acknowledging donors.

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.

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.

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
- 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, money order, 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, Africa



- projects, Oceania 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).

Donors may request from ERFA copies of the Annual Report, which includes ERFA's financial statements.

7. PROCESSING DONATIONS

The following procedure is to be followed for processing donations:

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

- a. An ERFA donation form is to be completed
- b. The donation payment (cash, cheque or credit card details) is to be attached to the ERFA donation form
- c. The form and payment is to be forward to the Finance team
- d. The Donor Relations Manager will update the donor information on the database
- e. The Finance team will process payment and issue a receipt as per instructions on the form
- f. All queries relating to the donor or donation will be handled and finalized by the Donor Relations Manager

Donations made online:

- a. Finance team distributes bank statements of all accounts on a weekly basis to Donor Relations Manager.
- b. BPoint donation notification is emailed by Finance team to ERFA
- c. Finance team will notify ERFA regarding any unreconciled donations/funds made through EFT or BPoint
- d. The Donor Relations Manager will identify the funds received including;



- a. Where the funds/donations came from (donors name)
- b. Allocation and coding of the funds/donation
- e. The Donor Relations Manager will notify the General Manager of all EREA direct deposits.
- f. The General Manager who will follow up with an acknowledgement letter.
- g. An ERFA donations form is to be completed with coding by the ERFA Donor Relations Manager.
- h. The ERFA donations form is to be forward to the Finance team
- i. The Donor Relations Manager will update the donor information on the database.
- j. The Finance team will issue a receipt as per instructions on the form
- k. All queries relating to the donor or donation will be handled and finalized by the Donor Relations Manager.

Online donations may be made at: <http://erf.org.au/donations/>

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

The following protocols 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. These protocols apply to all cash situations such as ticket sales raffles and Auctions.
 - 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 to be reconciled at the event.
 - Records of all cash payments are to be completed on forms supplied.
 - Cash to be kept in 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 be free from unethical practices and consistent with the mission, goals, ethical framework and policies of ERFA.

ERFA must adhere to all legislative requirements in the relevant State or Territory at all times and must hold all relevant authorities to fundraise.

Only authorised representatives of ERFA may conduct fundraising activities. Parties wishing to raise money on behalf of ERFA must contact ERFA prior to commencing these activities in order to complete an endorsement process.

All materials used in advertising and approved fundraising activity must state the intended use for any money raised. Fundraising materials and solicitations must accurately identify ERFA's name, address, ABN and purposes.

Fundraising solicitations must be truthful and avoid misleading visual portrayals and overstating either the need or what a donor's contribution may achieve.

Fundraising solicitations will clearly state if there is a specific purpose for the donations.

It is the responsibility of ERFA to coordinate and manage its fundraising programs.

11. TAXATION

There are differing taxation provisions and requirements applicable to various types of donation (whether the donation is in cash or kind). These may impact on the donor and/or ERFA.

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 coherent and collaborative 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.

A decision to make a donation to ERFA will be dictated by the donor's decisions and interests in the programs ERFA supports. 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 and/or project based purely on donor feedback/requests.



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 donation and request a refund (see 14 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;
- there is a financial report available to donors which reports on the appeal.

14. EXCESS FUNDS

Should the Foundation 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 and 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.