

# Acceptance & Refusal of Donations

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## Practice Note

This Practice Note is intended to assist FIA Members in deciding whether to accept or refuse a donation. It is advisory only and is not part of the FIA Code. For clarity, failure to follow this Practice Note will not be considered a breach of the Code or contributing to a breach of the Code.

### Practice Note: Acceptance and Refusal of a Donation

## 1. Establishing a policy on the acceptance or refusal of a Donation

1.1 Members should have a written policy for the acceptance or refusal of Donations.

1.2 In developing such a policy, Members should consider:

- a) the objects and mission of the Cause for which the Donation is intended;
- b) compliance of the policy with any legislation;
- c) Directors' legal obligations;
- d) how the reputation of the Cause may be affected by the acceptance or refusal of Donations from particular sources.

1.3 The policy should provide a clear delegation to people who are authorised to accept or refuse a Donation. The delegation of authority should state:

- a) the position of the person to whom authority is delegated; and
- b) the extent of the delegation (for example, whether the delegation applies to large and small Donations or different classes of Donations).

## 2. Matters to be considered before accepting or refusing a Donation

2.1 Staff should ascertain:

- a) the extent of their authority to accept or refuse a Donation; and
- b) the process for referral where their authority is exceeded.

2.2 Staff should not allow personal interests to affect their decision to accept or refuse a Donation.

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- 2.3 Staff must derive no personal material benefit from a Donation to a Cause for which they are working.
- 2.4 On the basis of the evidence available to them, a Fundraiser must decide whether the Objects of the Cause will be best met by accepting or refusing a Donation.
- 2.5 A Fundraiser must be able to demonstrate that the evidence they used to form their decision to accept or refuse a Donation addressed the Objects of the Cause. In particular, a Fundraiser must demonstrate evidence where:
- a) it is not immediately clear what Objects will be addressed with the proposed Donation;
  - b) large sums of money or property are involved;
  - c) there is reason to believe that a decision taken by a Fundraiser may expose the Cause to litigation;  
or
  - d) there is the threat of negative publicity to the Cause by the acceptance or refusal of a Donation.
- 2.6 A Fundraiser may accept a Donation for a specific activity provided that activity is:
- a) directly related to the Objects of the Cause; and
  - b) the outcome resulting from the activity is practically achievable.
- 2.7 Despite anything else in this section, a Fundraiser may refuse a Donation where:
- a) the activities of a Donor are incompatible with the Objects of the Cause; or
  - b) the cost of accepting a Donation will be greater than the value of the Donation; or
  - c) acceptance of the Donation will result in a net decline in the asset base of an Cause; or

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- d) the offer of a Donation is dependent upon the fulfilment of certain conditions, where the conditions:
- (i) are contrary to the taxation status of the Cause regarding receipt of a Donation;
  - (ii) are incompatible with the policies, priorities, or Objects of the Cause; or
  - (iii) require the Cause to first spend its own money or resources.

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