

# Fundraising for and during National Disasters

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## Practice Note

In response to the establishment in February 2020 of the Royal Commission into National Natural Disaster Arrangements and the extreme bushfire season of 2019-20, which resulted in loss of life, property, wildlife and other environmental destruction, FIA has produced this National Disaster Practice Note to assist FIA members in their fundraising for, during and after a national and/or natural disasters. A national disaster is defined as events such as floods, bushfires, droughts as well as acts of terrorism that cause national strife. The Practice Note acknowledges that national disasters could also be those which occur within States/Territories that cause significant impact to communities and local government areas.

This Practice Note is intended to be read in conjunction with the FIA Code.

This Practice note covers:

- **Accountability** – FIA members and fundraising organisations are ultimately accountable to their donors.
- **Governance** – FIA members and fundraising organisation should be registered with the ACNC and adhere to all state and/or territory fundraising regulations at all times.
- **Fundraising materials and communications** – pursuant to the FIA Code, all fundraising materials must be accurate including clearly stating the specific purpose of each donation. Further guidance on transparency of communications and channel considerations and including around donors in vulnerable circumstances during these times is also provided.
- **Outsourced fundraising activities** – special provisions for fundraising activities that are undertaken by agencies and/or by the general public on behalf of charities including provisions around the Authority to Fundraise.

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## 1. Accountability

The accountability of charitable organisations to their donors has a critical aspect of good governance. Board directors and management of charitable organisations have a responsibility:

- a) to communicate to donors and the public that Fundraising is an investment in achieving the organisation's goals and the specific purpose of the Fundraising activity or campaign.
- b) to ensure that the organisation's affairs are conducted with transparency and accountability.

Clause 4.4 of the FIA Code requires members to provide, on request, information about the charitable Cause and how donated funds are to be used, among other matters. The intent of this clause is to promote full disclosure and transparency so that donors can make a more informed decision about their gift at heightened emotional times such as national disasters.

Fundraising for beneficiaries of national disasters – natural, man-made or otherwise, and Fundraising for other causes not related to the disaster can be challenging and contentious. Members must balance the interests of donors with the interests of beneficiaries in delivering the organisation's services and mission. Where this balancing decision is contentious, the management and board of an organisation are responsible for the consideration of both factual evidence and the values basis of their Fundraising decisions.

## 2. Governance

Members meet their reporting and legal obligations to the relevant authorities.

2.1 Registration with the Australian Charities and Not-for-Profit Commission (ACNC).

2.2 Up-to-date reporting (financial and Annual Information Statement).

2.3 Registers or documented records of compliance, including but not necessarily restricted to legal obligations and registrations.

## 3. Clarity and accuracy in Fundraising communications

Fundraising materials at any time must be accurate and clear. They should:

3.1 Include the organisation's identity including name, address, ABN and purpose.

3.2 Accurately represent the context, situation, proposed solutions and intended meaning of information and accurately and truthfully as far as ascertainable at the time of creating the materials.

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- 3.3 Clearly state if there is a specific purpose of each campaign for donations are being sought.
- 3.4 Accurately and clearly describe the impact – including the beneficiaries – of the funds being raised.
- 3.5 Avoid omissions, exaggerations, misleading visual portrayals and overstating the need or what the donor’s response may achieve.
- 3.6 Contain language in materials are in plain English or standard use to ensure broad understanding of communications and the reason for the collection of donations.
- 3.7 Ensure consistency of language across all channels and platforms including third-party platforms and via those Fundraising on behalf of the member.
- 3.8 Distinguish, where relevant, the difference between the general nature of their Fundraising and Fundraising for natural disasters.
- 3.9 Provide clear and accurate information on how funds in excess of any stated goal or target may be used including timeline of delivery.
- 3.10 Communications are accurate and respectful and protect privacy and dignity (see FIA Code 5. Conduct towards beneficiaries and Practice Note: Promotional Materials).
- 3.11 Materials accurately and clearly describe the nature and timeline of the delivery and application of funds to intended beneficiaries.
- 3.12 Members should avoid using promotional claims such as “100% of your donation goes to service delivery” unless the promotional material accurately explains that the Fundraising costs are covered from another source and does not contravene the requirement of Clause 4.11b of the FIA Code. The intent of this clause is to encourage members to be open and transparent about the fact that Fundraising incurs a cost.

#### **4. Fundraising activity and channel considerations**

- 4.1 Members should select the comprehensiveness of information in Fundraising materials to be consistent with the characteristics of the communications channel used.
- 4.2 Provide for periodic review of Fundraising materials during and immediately after the national disaster to enable updating.
- 4.3 During widespread and high-impact disasters, members should consider whether Fundraising activity could bring Fundraising into disrepute and/or carry a high risk of knowingly soliciting donations from people in potentially vulnerable circumstances for specific groups of donors and potential donors.

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- 4.4 Members should consider means to temporarily suspend Fundraising promotions to such identifiable groups during disasters if feasible and proportionate to the cost of implementation.
- 4.5 Nothing in this Practice Note means that members should consider a generalised suspension of Fundraising during disasters, either for particular categories of causes, by particular promotional channels or of particular Fundraising methods.

## **5. If outsourcing Fundraising activities, members will ensure that:**

- 5.1 Contracts are in place which meet all relevant legislative and regulatory requirements.
- 5.2 Specific expectations, responsibilities and obligations of each party are clear and in writing.
- 5.3 Member organisations are clearly identified as beneficiaries of the funds raised.
- 5.4 Authority to fundraise documents are properly developed and executed.
- 5.5 Special care should be taken with regard to third-party Fundraising activity to ensure wherever practicable that the third-party activity clearly and accurately reflects and aligns to the purpose and mission of the organisation. This could include Fundraising on behalf the member for a cause not aligned to the member organisation or the use of the member organisation's brand to increase donations during a national disaster.

The Australian Competition and Consumer Commission (ACCC) has published “A guide to the Australian Consumer Law for Fundraising and other activities of charities, not-for-profits and fundraisers.” The Guide provides examples of conduct the ACCC considers misleading or deceptive and in breach of the Australian Consumer Law, such as when a fundraiser falsely represents that they are a volunteer. <https://www.accc.gov.au/publications/guide-to-the-acl-for-charities-not-for-profits-fundraisers>

See FIA Code 6 (6.1 to 6.3) Conduct in Supplier relationships for more information on requirements when engaging with suppliers.

## **6. Guidelines for reporting**

- 6.1 Members should report progress of Fundraising activities regularly to donors and consider the immediate need of such progress during times of national disasters.
- 6.2 Report to donors in terms of ‘impact’ not just the value and use of funds raised, using illustrations and case studies wherever possible.

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## 7. People in vulnerable circumstances

- 7.1 Members should refer to the People in Vulnerable Circumstances Practice Note.
- 7.2 Vulnerability during times of national disasters take on additional meanings for which members need to take extra care.
- 7.3 Vulnerability can be permanent or temporary and will vary from person to person; the circumstance the person at the time of making a decision to donate is most relevant.
- 7.4 Examples of people in potentially vulnerable circumstances may be those located in directly-affected disaster areas whose lives and livelihoods are impacted.
- 7.5 Extra care should be taken in terms of potential vulnerability which may be over and above common definitions due to the impact of the national disasters.
- 7.6 Members should take extra care in the handling of sensitive information and data from such persons.

## 8. Scams

- 8.1 Members should be aware of Fundraising scams during national disasters and seek to educate donors and the public as well as report possible scams to the Australian Competition and Consumer Commission - ScamWatch team. (<https://www.scamwatch.gov.au/report-a-scam>)
- 8.2 Members should consider their choice of third-party fundraising platforms and suppliers and be informed by the quality and safeguards of those platforms.

### Disclaimer:

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