

## Fundraising Aide Memoire

**Effective from: 23 April 2018**

**Last updated: 23 February 2022**

Fundraising standards are recognised as an important issue within the charity sector. These standards must balance the charity's duties to raise money, properly and sensitively, for its beneficiaries, while ensuring the public and/or donors do not experience any undue pressure or interference.

Cobseo Members have a responsibility to uphold these standards and advocate the integrity of the military charities sector. To aid this, Cobseo have produced the following Aide Memoire on Fundraising. The aim is that this Aide Memoire highlights to the Cobseo Membership, who fundraise as an active element of their financial operations, the various standards that must be implemented within their organisation. It must be noted that this document does not replace the need to understand Fundraising law and its regulatory requirements. This document is intended to assist Members to understand how to comply with the requirements that apply in the UK, and gives an indication of the measures Members must be achieving or aspiring to achieve to maintain good Fundraising standards within their organisations.

The Aide Memoire includes details on:

- [Fundraising Policy](#) and provides a guidance to Members on regulatory bodies and the implementation of policy.
- [Fundraising Ethics](#), including a description of the standards Cobseo expects from its Members.
- [Advice, Assistance and Training](#) on the sources available to Members to help ensure that the highest of standards are maintained.

Cobseo will update this Aide Memoire as appropriate in line with changes to relevant regulations and expectations within the charity sector.

## Fundraising Policy

Trustees of charities (or for charities without a Trustee Board, those who serve on its governing body) must have regard to UK and, where relevant, home nation guidance and regulations overseeing the fundraising activities by their charity and any third party fundraising (whether by volunteers, professional fundraisers or commercial partners) on the charity's behalf.

Cobseo strongly recommends all Member organisations, whether full, associate, or affiliate, engaged in fundraising publicly to be registered with the [Fundraising Regulator](#), who are the independent regulator of charitable fundraising in England, Wales and Northern Ireland, or the Scottish Fundraising Standards Panel for charities in Scotland. This requirement does not apply to Member organisations who undertake no fundraising, either directly or through third parties, from any source regulated by a regulatory body.

Membership of the [Chartered Institute of Fundraising](#) by charities engaged in fundraising is regarded as best practice, and is also recommended. Cobseo Members should also develop and implement their own Fundraising policy, specific to their needs and activities. This policy should be reviewed regularly, made available online and/or through the relevant publications, and understood by the organisation's colleagues, Trustees and third-party staff working on behalf of the charity. More information on how to prepare your own policy can be found in the [Advice, Assistance and Training](#) section of this Aide Memoire.

## Fundraising Ethics

For the Member organisations of Cobseo, in keeping with the Confederation's values, the work of all Members must be **legal, open, honest** and **respectful** (the four values that support all standards in the code), and in full compliance with fundraising legislation and standards. This supports the building of trust and support from regulators and the public, and particularly with existing and future donors.

For organisations registered in England, Wales and Northern Ireland (and Scotland if they fundraise in one or more of the other home nations), the requirements of the Fundraising Regulator, as laid down in its [Code of Fundraising Practice](#) and successor publications, are to be followed.

Fundraising by charities registered in Scotland that only operate in Scotland are still required to maintain full compliance with the Fundraising Regulator's Code, but will have complaints against the charity investigated by the Scottish Fundraising Standards Panel, rather than the Fundraising Regulator. These charities are also obliged to comply, in addition to the Code, with other requirements of Scottish charity law and the system of self-regulated fundraising through the Scottish Fundraising Standards Panel and their [Fundraising Guarantee Statement](#).

The Code of Fundraising Practice provides guidance on the measures and obligations associated with specific fundraising events; however, the following are universal measures of good fundraising practice.

### Member organisations must:

- Review regularly the ethics of their fundraising methods:

- (a) Ensure that all fundraising events and activities comply with the guidance set out in the Code of Fundraising Practice, including those involving partnerships with commercial and/or other third-party organisation.
  - (b) Ensure all requests for funds are truthful and accurately describe the charity's work, and the intended uses and destinations of the donation.
  - (c) Ensure donations are used to support the published purposes of the charity, and are in line with the purpose for which they are solicited.
  - (d) Ensure a clear explanation is given on how potential and existing donors can make, change, or stop a gift or donation.
  - (e) Have a clear and publicly available complaints procedure in place, and respond to complaints fairly, proportionately, and appropriately, avoiding undue delay. Note: This is a requirement of the charities act for charities with an income of over £1million.
- Keep spending on fundraising and administration as low as is cost-effective for sustainable and accountable operations, including reputational risk.
  - Comply with the highest legal, accounting, and ethical standards, and be fully transparent. In particular:
    - (a) Member organisations must regularly report on their financial activities, publishing all accounts with notes annually on their website - [Charity reporting and accounting: the essentials \(CC15b\)](#).
    - (b) This report must make clear the percentage of income spent on raising funds, and the percentage of income spent on administration.
  - Ensure all requests for funds respect the dignity and privacy of those who may benefit from the donation, and the dignity and privacy of potential donors; including respecting the decision of those who wish to cease giving.
  - Avoid using commission-based fundraisers, if at all possible, and only consider this option when all other sources of fundraising investment have been explored and exhausted, this can be found in [section 2.5.4 in the Fundraising Code](#). Even then Member organisations must have arrangements in place to approve commission payments, and ensure that that they are not excessive. This includes monitoring commission payments to make sure that they continue to strike a balance between reducing risk and encouraging effective fundraising. It must be made clear to a potential donor whether the fundraiser will benefit personally from any funds raised and to what extent.
  - Disclose any conflicts of interest that may arise whilst fundraising.

- Ensure all Trustees, staff, contractors, and volunteers involved in fundraising receive appropriate training and instructions on the acceptable approaches to fundraising that are consistent with the requirements of the regulatory bodies.
- Have a fundraising procedure in place for dealing with people who may be in vulnerable circumstances.
- Comply with legal requirements regarding the processing of personal data.

**Member organisations must not:**

- Exaggerate facts relating to a potential and existing beneficiary.
- Encourage unrealistic expectations of what a gift to the organisation will achieve.
- Be over-persistent or place undue pressure on potential and/or existing donors when fundraising.
- Denigrate other individuals or organisations whilst fundraising.
- Claim an activity is solely theirs if another charity has contributed – any assisting charity **must** receive acknowledgement.
- Sell lists of donors.
- Exploit the naivety, lack of knowledge, apparent need for support or vulnerable circumstance of any existing or potential donor at any time.
- Accept donations from a source that is said to be ethically dubious, or whose behaviour is inconsistent with the aims of the charity. The Fundraising Regulator advises that charities must have a clear policy for identifying and handling cases where accepting the gift could present a reputational risk to the organisation, and the Chartered Institute of Fundraisers have published helpful guidance on this: [Acceptance, Refusal & Return – A Practical Guide to Dealing with Donations](#)

## Advice, Assistance and Training

The [Fundraising Regulator](#) provides advice on regulatory compliance, and enforces good compliance for the charity sector in England, Wales and Northern Ireland and cross-nation fundraising for charities registered in Scotland. This [introduction to the Fundraising Regulator video](#) is a great starting point to those new to fundraising. Please also be aware of the Fundraising Preference Service, which allows people to stop receiving direct marketing communications from fundraising organisations. The Fundraising Regulator maintains a register of organisations that have failed to comply following complaints received, which is updated and published monthly.

The [Charity Commission](#) offers advice and guidance for charities registered in England and Wales in the [Charity Governance Code](#). The '[Charity Fundraising: a guide to trustee duties \(CC20\)](#)', also produced by the Charity Commission, must be noted by those Trustees who work for organisations who actively fundraise as an active element of their financial operations. The Charity Commission provide further specialist guidance for Trustees in the [Essential Trustee Guide \(CC3\)](#). Alternatively, see the New Philanthropy Capital for their [Best Practice in Fundraising](#) manual for Trustees.

Both the Chartered Institute of Fundraising, and the NCVO offer a range of training on fundraising.

For Charities registered in Scotland, the following OSCR guidance provides information on the legal requirements of Scottish charity law in relation to fundraising and charity Trustee duties: [Guidance and Good Practice for Charity Trustees](#).

For Charities registered in Northern Ireland, the [Code of Good Governance](#) and the Charity Commission for Northern Ireland's "[Running your Charity](#)" guidance sets out the principles and key elements of good governance for the boards of voluntary and community organisations. The Northern Ireland Council for Voluntary Action (NICVA) also hold some useful information in their [resource hub on fundraising](#); from material on finding grants to tax effective giving.

For producing your own Fundraising policy consider using the following as an example: [SSAFA](#) and [Stoll's](#) Fundraising Promise detail what these military charities pledge to do for the public and their donors.

The Fundraising Regulator's [Complaints Handling guidance for charities](#) might also be useful.

Cobseo is an organisation that actively shares knowledge and activities for the benefit of the Armed Forces community. Cobseo funded training events, reinforced by Members' events, are made available for the Cobseo Membership. These events are shared in the Cobseo Weekly Newsletter and on Social Media Channels.



Member organisations who have had notable success or difficulty with fundraising are encouraged to submit advice and tips to Cobseo for future dissemination to other Members.

**Cobseo – The Confederation of Service Charities**

1<sup>st</sup> Floor

Mountbarrow House

6-20 Elizabeth Street

London SW1W 9RB

[governance@cobseo.org.uk](mailto:governance@cobseo.org.uk)

[www.cobseo.org.uk](http://www.cobseo.org.uk)