A Trustee’s role in fundraising

Written and delivered by
Kathy Roddy
Key responsibilities

• To understand what fundraising is!
• To maximise income to your charity
• To ensure fundraising is carried out within the law and complies with best practice
• To assess and manage ethical and reputational risks associated with fundraising activities
• To ensure that there is a fundraising strategy that promotes the long-term sustainability of your organisation
Key responsibilities

• To agree a fundraising investment budget
• To support and ensure the continuous development of fundraising staff
• To support fundraising endeavours:
  – Providing moral support
  – Attending events
  – Providing access to networks
  – Donating?
Can be summarised as:

1. Principles
2. Regulation
3. Reputation
4. Policy
5. Strategy
6. Support
(1) PRINCIPLES

• EXERCISE:-

• What do you think are the key elements of successful fundraising? (What are the factors that make fundraising activities successful?)

• Think about the underpinning principles
Key principles of fundraising

• Relationships (vs Transactions)

• Research

• Resources
EXERCISE:

Do you think that fundraising needs to be regulated?

If so, why?
Key legislation

The main piece of legislation governing charities is the Charities Act 2011, which came into effect in 2012.
Key legislation

Charities (Protection and Social Investment) Act 2016
Reporting requirements

• Charities with over £1 million income must set out in their Annual Report their approach to fundraising, whether they use agencies and how they protect vulnerable people when fundraising.

• These charities will have to publicly state how many complaints have been received about “aggressive” fundraising.
Reporting requirements

• Details of any fundraising standards or scheme for fundraising regulation that the charity has voluntarily subscribed to

• Details of any fundraising standards or scheme for fundraising regulation that any person acting on behalf of the charity has voluntarily subscribed to
Reporting requirements

• Details of any failure by the charity, or by any person acting on its behalf, to comply with fundraising standards or scheme for fundraising regulation that the charity or the person acting on its behalf has voluntarily subscribed to

• Whether the charity monitored the fundraising activities of any person acting on its behalf and, if so, how it did so
Reporting requirements

• The number of complaints received by the charity, or by a person acting on its behalf for the purposes of fundraising, about fundraising activity

• What the charity has done to protect vulnerable people and other members of the public from behaviour which:
  – is an unreasonable intrusion on a person’s privacy
  – is unreasonably persistent
  – places undue pressure on a person to give money or other property
2016 Act also provides:

• Reserve powers to control fundraising:
  - To comply with requirements imposed by a regulator
  - To have regard to guidance issued by a regulator
  - To pay fees to the regulator
  - To be registered with a regulator for the purpose of regulating charity fund-raising
Other legislation

However, there is other specific legislation relating to:

- Data protection
- Advertising standards
- Raffles and lotteries (gambling)
- Public collections
- Health and safety (events, food hygiene)
- Various licencing issues: sale of alcohol, entertainment, performance of copyright music etc.
Regulatory resources

• Fundraising Regulator – *Codes of Practice*

• Institute of Fundraising – *Trustees and fundraising: a practical handbook*

• Charity Commission - *CC20: Charities and Fundraising (and CC15d [reporting]*)

• Information Commissioner’s Office – *Direct Marketing*
(3) REPUTATION

- Olive Cooke
- Samuel Rae
- Kids Company

- The first two in particular led to the Fundraising Review which makes several recommendations concerning fundraising practice
OLDEST POPPY SELLER SUICIDE

Poor Olive, 92 was hounded by other charities 10 begging letters a day

KILLED BY HER KINDNESS

HOUNDED TO DEATH BY COLD CALLERS

FRE LEGO
NINE TOYS IN NINE DAYS!

Poppy seller, 92, jumps off bridge after being plagued for cash by charities

BRIEDE & VROOM
God's Formula 1 wedding cat

£10 BIKINIS

Nice tattoo meet you, Charles!
She received hundreds of so-called "begging letters" every month - but her family has revealed she left behind a suicide note which refuted claims she had been overwhelmed by the constant hounding. Her granddaughter, 37-year-old nurse Jessica Dunne, said the "beautiful" note had outlined reasons including depression and issues around being elderly. She said while the letters were intrusive and a nuisance, they played no part in her grandmother's decision.
NEW SHAME OF THE CHARITIES

They pass on frail widower’s details 200 times ++ He gets 731 demands for cash ++ And loses £35,000 to conmen

CHARITIES sold personal details of a dementia sufferer to conmen who tricked him out of thousands of pounds, the Daily Mail can reveal.

Former Army colonel Samuel Rae’s information was handed to unscrupulous companies all over the world.

As a result, the 87-year-old widower has been targeted by conmen.
New shame of the charities: Widower's details were passed on 200 times leading him to lose £35,000 and get 731 demands for cash

- Former Army colonel Samuel Rae was contacted by 12 scam firms after his details were passed on up to 200 times
- Catalogue scammers tricked 87-year-old, who has dementia, into thinking he had to buy products to win prize cash
- Charities also bombarded Mr Rae for up to five years after he asked them to stop, some asking for money 38 times
- His son Chris demanded a crackdown and said charities who passed the data on were ‘as bad as the scammers’

By DAILY MAIL INVESTIGATIONS UNIT

PUBLISHED: 22:06, 31 August 2015 | UPDATED: 15:14, 1 September 2015
HOW HE BECAME A TARGET FOR CONMEN

Details sold to
PDSA HELP A PET

They contact him 275 times and sell his details 10 times

Passed to a list broker

Prize Winners' Club a scam company

Passed to data company

Medical insurance company

Gambling company

Jewellery company

International Fund for Animal Welfare

They contact him 219 times

Worldwide Cancer Research

They contact him 120 times

Diabetes Research and Wellness Foundation

They contact him 48 times and sell lists containing his details 107 times

Passed to a list broker

Two scam companies

Sold to dozens of charities including:
- Royal National Institute for the Blind
- Action Ethiopia
- The Haven
- formerly Breast Cancer Haven

List is sold to dozens of charities including:
- UNICEF
- British Red Cross
- British Heart Foundation
- Help the Aged (now Age UK)

10 scam companies in four continents (America, Australia, Asia and Europe)

Biotonic and Best Of scam Mr Rae out of nearly £4,000

BY NUMBERS

731 number of times he was contacted

200 times his details were passed on

88 charities received his information

12 scam firms got their hands on the data

12 ‘suckers’ lists feature his name

£4,000 lost by Mr Rae to scam firms which got his details from charities

£35,000 total lost through scams since onset of dementia
### HOW ONE DONATION LED TO YEARS OF HARASSMENT

**OCT 2009**

After his wife Elizabeth dies in 2009, Samuel Rae makes a donation to the RSPCA, her favourite charity. But he misses the tiny print at the bottom, which opts him in to his details being shared. See Figure 1.

The print on the RSPCA forms is so small the charity had to blow it up to ten times its actual size for Rae to read. See Figure 2.

Because Rae has not checked the box unticked, the charity say he gave consent for his data to be shared.

**MAY 2010**

Rae is sent a supporters' questionnaire. On this he is asked if he consents to be contacted by telephone – he says ‘No’. See below.

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>13 letters from the RSPCA.</td>
</tr>
<tr>
<td>2010</td>
<td>During the year he gets six letters from RSPCA.</td>
</tr>
<tr>
<td>2012</td>
<td>Ten letters from RSPCA.</td>
</tr>
<tr>
<td><strong>RSPCA</strong></td>
<td><strong>RSPCA passes Mr Rae’s details to Prospecting For Gold.</strong></td>
</tr>
<tr>
<td><strong>MAY 2010</strong></td>
<td><strong>RSPCA’s first phone call to Mr Rae asking him to increase his donations. He raises it from £3 to £5 per month.</strong></td>
</tr>
<tr>
<td><strong>2010</strong></td>
<td><strong>RSPCA phone call asking him to increase his direct debit.</strong></td>
</tr>
<tr>
<td><strong>2012</strong></td>
<td><strong>RSPCA shares Mr Rae’s details with Axxiom Ltd a second time.</strong></td>
</tr>
<tr>
<td><strong>MAY-JULY 2013</strong></td>
<td><strong>RSPCA telephone Mr Rae and ask him to start donating again. He refuses.</strong></td>
</tr>
<tr>
<td><strong>2013</strong></td>
<td><strong>Six letters from the RSPCA.</strong></td>
</tr>
<tr>
<td><strong>MARCH/APRIL 2012</strong></td>
<td><strong>RSPCA pass pass Mr Rae’s name to Axxiom Ltd, a data firm which ‘scores’ supporters as to their likelihood of leaving money in their wills.</strong></td>
</tr>
<tr>
<td><strong>AUG 2012</strong></td>
<td><strong>Mr Rae cancels monthly donation to the RSPCA.</strong></td>
</tr>
<tr>
<td><strong>OCT 2012</strong></td>
<td><strong>The RSPCA telephone Mr Rae and ask him to start donating again. He refuses.</strong></td>
</tr>
<tr>
<td><strong>MAY 2014</strong></td>
<td><strong>RSPCA telephone Mr Rae and ask him to start donating again. He refuses.</strong></td>
</tr>
<tr>
<td><strong>FEB 2015</strong></td>
<td><strong>Another RSPCA phone call – nearly three years after he stopped donating. By now, Mr Rae has dementia and his son has taken over his financial affairs.</strong></td>
</tr>
</tbody>
</table>

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**Notes:**

1. We sometimes allow other organisations whose aims are in sympathy with our own, or whose offers will benefit animal welfare, to contact our supporters. If you do not wish to hear from them, please tick this box.

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**Figure 1:**

RSPCA's monthly donation form with a box for opting in to being contacted.

**Figure 2:**

Screenshot of the RSPCA's online donation form with the consent box highlighted.
HARD SELL  How  MoS man was trained to snare soft targets

CAUGHT ON FILM: The instructor working for Listen Ltd who trained recruits how to snare a 98-year-old donor

HOW TO BAG A 98-YEAR-OLD
- ‘They haven't said they are dead’ the trainer (left) jokes to recruits as he drums into them how to get cash from the old. Here, he plays part of a cold caller...

Trainer: ‘I understand, you being a 98 year old pensioner... that’s absolutely fine you don’t have to give as much, blah, blah, blah... Oh, brilliant, two more years and you'll get a letter from the Queen.
[To recruits]: I mean she seems to be going strong with all that money...

NO MONEY? IT'S JUST AN EXCUSE
- Our undercover reporter rang a man for an Oxfam donation; he declined as he only had £61 a week. Our reporter sought advice from a second, female trainer...

Recruit [undercover MoS reporter]: ’Why do you think he said at the end of that [call] that “I’m only on £61 a week”?’
Trainer: ‘Because it’s another excuse. Then you’ll go, “Oh, all right then”. There’s a lot of people on benefits that still give to about five charities’

WHEN ‘NO’ IS NOT AN OPTION
- Our undercover reporter asked a third, male trainer if a caller who complained of harassment should be deleted from the database. The trainer said to mark him down as a ‘no’, but not to delete his number

Trainer: ’We have to wait for one of three phrases: remove, remove me from your list or database or I'm on TPS [telephone preference service]. Anything other than that, even if they said I don't want any more calls...
Recruit [undercover reporter]: ’He said the calls were getting harassing.’
Trainer: ‘We’re going to put that as a no...’
VICTORY!

EXCLUSIVE: After Mail exposé reveals shame of charity cold call sharks, PM pledges tough new law

DAVID Cameron today dramatically announces a new law to curb the shameful tactics of charity fundraisers.

The Prime Minister vowed to act after the Daily Mail revealed how ‘boiler room’ call centres targeted elderly and vulnerable people with their fundraising.
WATCHDOG VOWS TO FOLLOW UP MAIL'S INVESTIGATION

Charities risk becoming a ‘dirty word’ if they continue to abuse personal data, the Information Commissioner warned yesterday.

Christopher Graham vowed to investigate organisations exposed by the Mail for passing on the details of dementia sufferer Samuel Rae. ‘There’s a danger here of blackening a whole sector,’ he said. ‘Charities seem to be becoming the new dirty word.’ He said that while it would not be fair to accuse all charities of abusing supporters’ data, it was clear many people felt plagued by them. And he warned failure to tick a box 20 years ago did not constitute permission to ‘trade in people’s data years after the event’.

‘The Data Protection Act is very clear – the very first principle is that your data is only processed fairly and lawfully,’ he told the BBC. ‘If the law has been broken, we will act.’

Marilyn Baldwin, the founder of anti-scams charity Think Jessica who received an OBE last year, said the sale of data was fuelling scams and could destroy the reputation of charities.

Dominic Nutt, former head of news at Save the Children, said: ‘The big issue round this is that the cultures of charities have become aggressive.

‘Executives are on bonus schemes if they hit targets. Every conversation I had was around numbers – how are we doing compared with everyone else.’
The Mail received thanks for its investigation from David Cameron, Stephen Eckersley, head of enforcement at the Information Commissioner’s Office, and Bernard Jenkin MP, Conservative chairman of the Commons public administration committee. Richard Lloyd of consumer group Which? responded by asking for the government to launch a full review of fundraising rules and regulations.
Naming (and shaming?) Fundraising Directors

The Daily Mail gets personal in its criticisms of four charities.
Dame Hilary Blume, chief executive of the Charities Advisory Trust. She said:

“İ’d like to dismiss all the people who are in charge of these big fundraising operations in these big charities. I’d say to them, go and develop your careers elsewhere. We want people who have a higher ethical standard”.
REVEALED: HOW RSPCA SNOOPS ON WILLS OF DONORS
Complaints to FRSB

- Complaints rose by 8% in the past year
- Most complaints relate to cold calling and “junk” mail
  - Tone and frequency of approaches
  - Approaches to elderly or vulnerable people
Key concerns that prompted the Review

• Sharing of personal data between charities

• Selling of personal data to third parties (non-charities)

• Ignoring opt-out requests and assuming consent
Key concerns that prompted the Review

• Ignoring the Telephone Preference Service and the Mailing Preference Service

• Frequency of mailings
Other issues

• EU General Data Protection Regulation:

“Consent should be given by a clear affirmative action establishing a freely given, specific, informed and unambiguous indication of the data subject's agreement to personal data relating to him or her being processed, such as by a written, including electronic, or oral statement..... Silence, pre-ticked boxes or inactivity should therefore not constitute consent.”
• “It shall be as easy to withdraw consent as give it.”
• “the controller shall be able to demonstrate that consent was given by the data subject to the processing of their personal data.”

Failure to keep such proof of consent will itself be a breach of the requirements for legal consent. This not only exposes the organisation to a risk of enforcement, it can also potentially render large swathes of personal data useless for any purposes that are reliant on consent.
• Infringements of the basic principles of processing “including conditions for consent” can be subject to the highest level of fines, which may be the higher of 20 Million Euros or 4% of “total worldwide turnover of the preceding financial year”.
The Fundraising Review: Findings

- Current system of self-regulation is not working
- Current approach is too complex (IoF, FRSB and PFRA)
- Little appetite for state regulation
- But statutory involvement is helpful
- Alternative funding required for regulation
- Sanctions need to be more effective
- Rules need to cover ALL fundraising organisations, not just those who are members of professional bodies
- Better oversight by trustees and managers
“Many of the problems have occurred due to the lack of compliance with existing rules, or disregard of the available guidance.... Charity trustees and managers have too often been absent from discussions on fundraising practice or values.”
Fundraising Review: Recommendations (1)

• Fundraising Standards Board (FRSB) to be replaced with a new body – The Fundraising Regulator (this has now happened)

• Institute of Fundraising (IoF) and Public Fundraising Association (PFRA) to work towards a merger
Fundraising Review: Recommendations (2)

• The Fundraising Regulator is now responsible for:
  – Regulating ALL types of fundraising by UK-based organisations
  – Setting the Code of Fundraising Practice
  – Dealing with complaints
Fundraising Review: Recommendations (3)

- Fundraising Regulator is being financed by a levy on fundraising expenditure
- Organisations “spending” £100,000 or more on fundraising will have to contribute
- Stepped levy – those spending more will have to pay more
Fundraising Review: Recommendations (4)

- Sanctioning powers:
  - Naming and shaming organisations that breach the Code of Fundraising Practice
  - Cease and desist orders
  - Compulsory training
  - Clearance for future campaigns
  - Charity Commission to act as a backstop where there is a suspected breach of Trustee responsibilities
Fundraising Review: Recommendations (5)

• PFRA rulebook should be merged with the Code of Fundraising Practice
• The Fundraising Promise to be abolished
• Code of Fundraising Practice should relate to guidance for Trustees (primarily CC20)
• Badge to indicate registration with The Fundraising Regulator
Fundraising Review: Recommendations (6)

• Establishment of a “Fundraising Preference Service” (FPS)
  – Enabling people to register if they no longer wish to be contacted for fundraising purposes
  – Organisation engaging in high volume fundraising would have a responsibility to check their contacts against this ‘suppression list’ before the start of a campaign.
Fundraising Review: Recommendations (7)

• Trustees and senior managers should read and observe the guidance on ‘Charities and fundraising’ CC20 issued by the Charity Commission

• The principles of CC20 guidance should be incorporated into the Code of Fundraising Practice

• Trustees to take “a more active role in the oversight of fundraising”
Trustees must:

• Regularly review their charity’s fundraising processes and compliance with the Code of Fundraising Practice
• Ensure regular attendance of senior fundraising staff at their meetings
• Include fundraising activity on the risk register
• Treat consent to direct marketing as a board-level issue
Fundraising Review: Recommendations (8)

• Charities should make a public commitment to put donors’ interests first by reviewing the use of personal data

• Charities should move to an ‘opt in’ system for ALL their communications

• Establishment of a ‘Commission for the Donor Experience’”
(4) POLICIES

Your charity should have the following policies in place:-

• Complaints
• Acceptance and refusal of donations
• Working with vulnerable people
• Working with third parties, commercial partners and volunteers
• Financial processes
(5) STRATEGY

EXERCISE

• What do you think should be the key elements of a fundraising strategy?
Fundraising strategy

- Introduction (link to business plan)
- Fundraising history and achievements
- Analysis of historical income (last 3 years)
- Future funding requirement (next 3 years)
- Analysis of the external fundraising environment
- Analysis of strengths and weaknesses in your case for support
Fundraising strategy

• Analysis of potential income streams
  – Statutory
  – Trusts
  – Companies
  – Individuals
  – Income generation
• Resources required
• Investment budget
EXERCISE

• How will the matters highlighted so far affect your charity?

• What do you need to do at Board level?
Solutions

• Move the focus away from immediate return on investment – that is not the only measure of fundraising success

• Greater emphasis on relationship fundraising

• Use community fundraising events for recruitment and gaining consent
Solutions

• Have a fundraising advocate on your Board

• Fundraisers must make time to READ (and be supported by the Board in this)

• Make fundraising a regular agenda item at Board meetings
THANK YOU FOR LISTENING!

@KathyRoddy