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## Principles and Standards of Fundraising Practice

Ethical and best practice guidelines  
for professional fundraisers

# Standard of Overseas Aid Fundraising Practice

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The Standard of Overseas Aid Fundraising Practice provides practical guidelines for FIA members for best practice for conducting Overseas Aid Fundraising Activities within an ethical framework. The Standard provides guidelines as to the handling of Donations and management of the relationship with overseas aid agencies, to ensure that the risks associated with overseas aid transactions is minimised, and that Donations are used as effectively as possible overseas.

This Standard must be read in context with FIA's Principles of Fundraising Practice, including the Code of Ethics and Professional Conduct, Fundraiser's Promise to Donors and Code of Acceptance and Refusal of Donations.

Overseas Aid Fundraising transactions are complex for several reasons. A multiplicity of financial and charitable regulation regimes may apply both in Australia and overseas. The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth)* has changed the regulation landscape in Australia. The Act affects any Organisation that offers specific services which may (however unwittingly) be used to launder money or finance terrorism. The Act also has broad extra territorial application to overseas entities.

For the assistance of Fundraisers, the appendices provide further information. Appendix 1 provides contact details for Australian Taxation Office and AusAID concerning tax deductibility. Appendix 2 sets out information about Commonwealth child protection policies. Appendix 3 sets out the link for AusAID guideline on overseas aid. Appendix 4 sets out the link for information about international sanctions. Note that information in the Appendices is included for the guidance of FIA members and is not intended to be a substitute for FIA members' own inquiries.

*Advancing Professional Fundraising*

*The Standard of Overseas Aid Fundraising Practice was supported by*

## **1. To whom does this Standard apply?**

- 1.1 This Standard applies to FIA members. FIA can only monitor this Standard and enforce it if necessary against an FIA member.
- 1.2 This Standard does not replace nor override any law.

## **2. Planning an Overseas Aid Fundraising Activity**

- 2.1 Before the Overseas Aid Fundraising Activity is undertaken, a Fundraiser should create goals for the Overseas Aid Fundraising Activity including as a minimum:
  - a) identify an Overseas Aid Agency;
  - b) if applicable, ascertain that the Organisation that a Fundraiser represents meets Australian Taxation Office's Overseas Deductible Gift Recipient Status and AusAID requirements for making Donations to Overseas Aid Agencies under the Overseas Aid Gift Deduction Scheme;
  - c) the goals in relation to the Donors;
  - d) how the Donors are acknowledged;
  - e) desired outcomes for the Organisation; and
  - f) targets for the Overseas Aid Fundraising Activity, based upon how many Donors would sign up or the average level of gift that is achievable.
- 2.2 When planning an Overseas Aid Fundraising Activity, a Fundraiser should ensure the following details are included:
  - a) how the Overseas Aid Fundraising Activity works;
  - b) details of the tax relief available (if applicable pursuant to Australian Taxation Office and AusAID guidelines; for further information, see Appendix 1 of this Standard);
  - c) information Donors will see on their receipts;

- d) an overview of how the Donation process works;
- e) information on how to cancel enrolment and obtain a refund (for recurring Donations); and
- f) the security measures used to protect the Donor's information and the Donation.

2.3 A Fundraiser must ensure that the Overseas Aid Fundraising Activity includes:

- a) information to the Donor about the Organisation;
- b) acknowledgement of the Donor when the Donor participates in the Overseas Aid Fundraising Activity; and
- c) payment details.

2.4 Before entering into an agreement with the Overseas Aid Agency, a Fundraiser should carry out due diligence and reasonable precautions including (without limitation) reviewing whether:

- a) the Overseas Aid Agency is a Sanctions Designated Entity
- b) any personnel at the Overseas Aid Agency are Sanctions Designated Persons;
- c) the Overseas Aid Agency is owned or controlled by Sanctions Designated Persons or Entities;
- d) the Overseas Aid Agency is acting on behalf of or at the direction of Sanction Designated Persons or Entities.

2.5 Before entering into an agreement with an Overseas Aid Agency, a Fundraiser should take reasonable precautions to ensure the Overseas Aid Agency is not a Terrorist Organisation or providing support to a Terrorist Organisation, including (without limitation):

- a) checking that the Overseas Aid Agency is not a Terrorist Organisation; and,

- b) conducting any additional background checks as necessary to confirm its identity and integrity.

2.6 The Donors' personal information about their identity, their Donations and the Organisations to whom they donate are protected under the National Privacy Principles and must not be disclosed to a third party without the consent of the Donor.

### **3. Management of Donations for an Overseas Aid Agency**

3.1 For recurring Donations, a Fundraiser or Organisation should ensure that the Donor is informed that the Donor may change the amount or frequency or cancel the Donations at any time and how to make such changes.

3.2 An Organisation must maintain an agency bank account or trust bank account or Donation bank account (as applicable to the particular entity) into which all Donations are deposited.

3.3 An Organisation should ensure that:

- a) Donations are deposited into an account that is separate from general operations Donations;
- b) its bank accounts are managed as separate accounts at all times.

3.4 The Organisation must provide each Donor with a receipt.

3.5 The Organisation must maintain a ledger record for its Donation bank account. The ledger must record:

- a) all Donations received; and
- b) the name of each Donor and the amount of each Donation.

3.6 The Organisation must have a contingency plan for the appropriate distribution of Donations raised in excess of the Organisation's target for an Overseas Aid

Fundraising Activity. Such a plan must be included in Promotional Materials for the Overseas Aid Fundraising Activity.

#### **4. Transfer of Donations to an Overseas Aid Agency**

- 4.1 Before transferring Donations to an Overseas Aid Agency, the Organisation should ascertain that the Overseas Aid Agency:
- a) operates activities in its location which are consistent with the Objects of the Organisation; and
  - b) has the capacity to use the Donations in accordance with the instructions of the Organisation and the needs of the activities carried out by the Overseas Aid Agency in the location.
- 4.2 The Organisation must have a written agreement with the Overseas Aid Agency on behalf of whom it is raising Donations. The agreement must include:
- a) a condition to the effect that the Organisation may cancel the agreement and recover any Donations transferred to the Overseas Aid Agency if the Overseas Aid Agency does not meet the Object of the Overseas Aid Fundraising Activity or comply with any requirements of the Organisation; and
  - b) a condition to the effect that the Overseas Aid Agency will not make Donations available to Sanctions Designated Persons or Entities.
- 4.3 The Organisation must ensure that the written agreement requires that the Overseas Aid Agency:
- a) is registered with appropriate regulators in its location;
  - b) will disburse Donations in accordance with relevant laws in its location and the Object for which Donations have been raised;
  - c) complies with applicable domestic and international laws concerning counter-terrorism financing and anti-money laundering legislation;

- d) will not direct funding to a Terrorist Organisation or Sanctions Designated Person or Entity;
  - e) complies with the Organisation's requirements about the use of its business name and Trade Mark by the Overseas Aid Agency; and
- 4.4. The Organisation should ensure that the Overseas Aid Agency complies with FIA's Principles of Fundraising Practice and this Standard.
- 4.5 The Organisation should ensure that the Overseas Aid Agency has risk management processes in place to minimise the risk of misappropriation or loss of the Donations in the location.

## **5. Protection of Children**

- 5.1 The Organisation should devise and implement policies for the protection of Children involved in an Overseas Aid Fundraising Activity. FIA members must comply with section 5 of the FIA Code of Ethics and Professional Conduct. Appendix 2 provides information as to the child protection guidelines of the Australian Council for International Development (ACFID) for the guidance of Fundraisers and Organisations.
- 5.2 The Organisation should ensure in accordance with Commonwealth, State and Territory legislation and regulations:
- a) any supervisor must obey the law regarding supervision of children;
  - b) any supervisor must not be in charge of more children at a time than the number prescribed by relevant legislation.

## **6. Promotional Materials**

- 6.1 An Organisation must ensure that any Promotional Material used to promote an Overseas Aid Fundraising Activity:
- a) is factually accurate, truthful and not likely to deceive or mislead any person;
  - b) identifies the Organisation;

- c) identifies the objective of the Overseas Aid Fundraising Activity;
  - d) complies with the relevant provisions of *Competition and Consumer Act 2010* (Cth) and State or Territory equivalent legislation, (in particular those sections relating to misleading and deceptive conduct and false and misleading representations); and
  - e) complies with the relevant State or Territory legislation in connection with a Overseas Aid Fundraising Activity.
- 6.2 An Organisation must notify the Overseas Aid Agency before work commences on promoting the Overseas Aid Fundraising Activity.
- 6.3 Where a Fundraiser discloses a cost of fundraising in Promotional Materials, that cost must be factually accurate.
- 6.4 A Fundraiser must make the current annual report of an Organisation for whom they represent freely available upon a reasonable request by a Donor.
- 6.5 Despite anything else in this section Promotional Materials may be part of a positive campaign by a Fundraiser to build public awareness, understanding and support for the Objects of an Organisation.
- 6.6 A Fundraiser should ensure that the Organisation monitors the level of contributions and regularly acknowledges Donors for their generosity.
- 6.7 If the Overseas Aid Fundraising Activity or Overseas Aid Agency has a Trade Mark associated with or used in connection with it, the Fundraiser must ensure that the Overseas Aid Agency has given permission for the use of the Trade Mark and take all reasonable steps to prevent its unauthorised use by third parties including Suppliers or the media.

## **7. Compliance and Management of Complaints**

- 7.1 FIA members must comply with FIA's Principles of Fundraising Practice and this Standard and relevant Commonwealth, State and Territory laws including the *Charter of the United Nations Act 1945 (Cth)*, *Anti Money Laundering/Counter Terrorism*

*Financing Act 2006 (Cth), Criminal Code Act 1995 (Cth), Spam Act 2003 (Cth), the relevant provisions of the Competition and Consumer Act 2010 (Commonwealth), Privacy Act 1988 (Commonwealth) and the National Privacy Principles.*

- 7.2 Complaints concerning this Standard or the conduct of a FIA member will be determined by the FIA Ethics Committee in accordance with the FIA Complaints Process.



## Definitions

<b>Beneficiary</b>	means any person or entity which receives a benefit from an Organisation in pursuance of the Organisation's objects.
<b>Child or Children</b>	means a child under the age of 18.
<b>Corporation</b>	means an entity incorporated under the Corporations Act 2001 (Cth) and established for the purpose of profit.
<b>Complaint</b>	means a notice in writing sent by any person to FIA, by way of a completed FIA Complaints Form, concerning an alleged breach by an FIA member of any part of the FIA Principles and Standards of Fundraising Practice.
<b>Director</b>	means a person who is appointed or elected to the position of a director of an Organisation or a Corporation.
<b>Donation</b>	means a voluntary contribution by a Donor of money, property, goods or services to an organisation for the purpose of furthering that organisation's objects. It does not include a sponsorship or community business partnership.
<b>Donor</b>	means an individual or other entity that makes a contribution of value to an Organisation to further the Organisation's Objects. A Donor includes prospective Donors and an individual or entity that has previously made a Donation. A Donor does not include an individual or entity that engages with an Organisation for the purpose of trade.
<b>Ethics Committee</b>	means a committee established by the FIA Board pursuant to the Constitution for the purposes of making determinations on Complaints.
<b>FIA</b>	means Fundraising Institute Australia.
<b>FIA member</b>	means a person or organisation who is registered as an FIA member.
<b>Fundraiser</b>	means a person, Corporation or Organisation, who carries out activities, whether for remuneration or as a volunteer, for the purpose of raising Donations for the Objects of an Organisation.
<b>Fundraising Activity</b>	means an activity carried out by a person, Corporation or Organisation, whether for remuneration or as a Volunteer, for the purpose of raising funds for the Object of an Organisation.
<b>Objects</b>	means the objective, purpose or cause, however so defined in an Organisation's constituent documents.
<b>Organisation</b>	means an entity incorporated under Commonwealth, State or Territory legislation and established for a purpose other than profit.
<b>Overseas Aid Fundraising</b>	means any Fundraising Activity carried out by or on behalf of an Organisation in Australia with the Object of raising Donations for the

<b>Activity</b>	purpose of transferring Donations to a Fundraiser or Organisation located in another country.
<b>Overseas Aid Agency</b>	means an Organisation in another country which receives Donations from an Organisation as a result of an Overseas Aid Fundraising Activity.
<b>Professional Misconduct</b>	means conduct by an FIA member that is a violation of the Principles and Standards of Fundraising Practice that has serious adverse consequences to a Complainant or was committed intentionally by the Fundraiser or both.
<b>Promotional Material</b>	means any material in connection with a Donation, Fundraising Activity or an Organisation whether in printed, electronic or verbal form made available by a Fundraiser or Organisation to any person.
<b>Sanction Designated Person or Entity</b>	means a person or entity to whom targeted financial sanctions implemented under the <i>United Nations Charter Act 1945 (Cth)</i> apply.
<b>Sponsor</b>	means a third party who sponsors a Fundraising Activity for an agreed outcome.
<b>Supplier</b>	means a third party supplying goods or services for payment to a Fundraiser and/or Organisation.
<b>Tax</b>	means all taxes payable in connection with a Fundraising Activity, including without limitation income tax, pay as you go (PAYG) and good and services tax (GST).
<b>Terrorist Organisation</b>	means an organisation that is directly or indirectly engaged in preparing, planning, assisting in or fostering the doing of a terrorist act (whether or not a terrorist act occurs). A list of Terrorist Organisations can be obtained from <a href="http://www.nationalsecurity.gov.au">www.nationalsecurity.gov.au</a> .
<b>Trade Mark</b>	means a word or group of words, logo, image, colour, scent or shape (whether registered or unregistered) used by an Organisation to identify the Organisation.
<b>Unsatisfactory Conduct</b>	means conduct by a FIA member that is neglectful of the Principles and Standards of Fundraising Practice or that has minor adverse consequences to a Complainant or both.
<b>Volunteer</b>	means a person who performs a service for an Organisation without requiring compensation for performing the service.

## **Appendix 1 Information about tax deductibility of Donations for Overseas Aid Fundraising Activities**

### **Australian Taxation Office**

ATO has an extensive guide on its website for record keeping and tax issues for non profit organisations. It also has an overview of regulation in each State or Territory.

Internet: <http://www.ato.gov.au/nonprofit>

### **ATO fact sheet on Overseas Aid Funds**

Internet: <http://ato.gov.au/print.asp?doc=/content/30677.htm>

The Overseas Aid Gift Deduction Scheme (OAGDS) enables donations collected by organisations for their overseas aid activities to be tax deductible so donors can claim their contributions to the organisation as a tax deduction. Tax deductibility is only allowable for gifts to aid activities in those countries declared as 'developing' by the Minister for Foreign Affairs.

For more information about approved organisations and how to apply to have a fund admitted to the Overseas Aid Gift Deduction Scheme, contact AusAID:

Mail: The OAGDS Administrator  
NGOs and Community Engagement Section  
AusAID  
GPO Box 887, CANBERRA ACT 2601

Tel: (02) 6206 4688

Fax: (02) 6206 4695

Website: [www.AusAID.gov.au](http://www.AusAID.gov.au)

### **Overseas Aid Gift Deduction Scheme Guidelines (downloadable PDF brochure):**

[http://www.AusAID.gov.au/ngos/pdfs/oagds\\_guidelines.pdf](http://www.AusAID.gov.au/ngos/pdfs/oagds_guidelines.pdf)

## **Appendix 2 Information about child protection policies**

The Australian Council for International Development guidelines for development of a child protection policy

[www.acfid.asn.au/code-of-conduct](http://www.acfid.asn.au/code-of-conduct)

FIA Code of Ethics and Professional Conduct, section 5.

[www.fia.org.au](http://www.fia.org.au)

## **Appendix 3 AusAID Guideline**

Entire guideline

[www.AusAID.gov.au/ausguide/default.cfm](http://www.AusAID.gov.au/ausguide/default.cfm)

Activity Implementation

[www.AusAID.gov.au/ausguide/part4.cfm](http://www.AusAID.gov.au/ausguide/part4.cfm)

Managing Risk

[www.AusAID.gov.au/ausguide/pdf/ausguideline6.3.pdf](http://www.AusAID.gov.au/ausguide/pdf/ausguideline6.3.pdf)

## **Appendix 4 Sanctions Information**

Sanctions Information and DFAT Consolidated List of Sanctions Designated Persons and Entities subject to targeted financial sanctions

[www.dfat.gov.au/un/unsc\\_sanctions/index.html](http://www.dfat.gov.au/un/unsc_sanctions/index.html)

National security information

[www.nationalsecurity.gov.au](http://www.nationalsecurity.gov.au)