

Fundraising Guidelines for External Fundraising Projects

(As required by the *Charitable Fundraising Act 1991*)

Income generated through fundraising and donations plays an important role in enabling the Illawarra Shoalhaven Local Health District (ISLHD) to provide additional facilities and services to patients and their families. This includes the purchasing of new medical equipment, improving amenities and supporting capital works programs.

It is the role of ISLHD to ensure that any person(s) wishing to fundraise on behalf of an ISLHD Hospital/Department/Ward/Unit, adheres to the strict guidelines and/or legislation. These include the:

- NSW Health Fundraising Policy
- NSW Health Sponsorship Policy
- *Charitable Fundraising Act 1991*
- *Charitable Fundraising Regulation 2003*
- Department of Gaming & Racing Best Practice Guidelines.

By law, any person person(s) or organisation wishing to fundraise in NSW must be granted an **AUTHORITY TO FUNDRAISE** by the organisation they wish to fundraise on behalf of, prior to the commencement of the fundraising activity. When possessing an authority an organisation is entitled to appeal to the public for funds, but in return that organisation incurs a number of obligations which are set out in the Fundraising Act and Regulation, and in detail in the conditions attached to the authority.

Note: The 'Applicant' refers to the individual, organisation, business or body applying to fundraise. Corporate Communications is the team within ISLHD responsible for coordinating and managing the documentation and reporting of internal and external fundraising activities, donations and sponsorships.

The Applicant should initially make contact with Corporate Communications to discuss the fundraising proposal or idea. Corporate Communications can provide further information about other external fundraising events which may support/impact on the application, or provide clarity about the type of event and timeframe which may yield the greatest result.

GETTING STARTED

The Applicant should make contact with Corporate Communications to discuss the fundraising activity.

Corporate Communications must endorse all fundraising activities being conducted within hospitals or facilities across ISLHD.

Once Corporate Communications has received the completed 'External Fundraising Application Form' and estimated budget, and is satisfied that the fundraising activity complies with NSW Health policies and NSW legislation, the Applicant will receive an endorsement to commence the fundraising activity.

ISLHD will not endorse fundraising which involves any activity that does not fit with its values, policies and ethics.

ONCE APPROVED

The Applicant (and any person(s) responsible for the fundraising activity such as business or social group) is responsible for all organisational aspects of the fundraising activity. If the Applicant wishes to solicit prizes, goods or services or use a public personality or entertainer, they will need to notify Corporate Communications to ensure there is no conflict of interest.

Third party fundraisers are not covered by ISLHD's insurance and therefore the Applicant must seek their own Public Liability Insurance and general insurances for fundraising activities prior to the commencement of the activity and provide a copy to Corporate Communications.

LOGOS

Corporate Communications must approve any documents/promotional material used to promote the fundraising activity that refers to ISLHD, including requests for use of ISLHD's logo. Corporate Communications can forward to the Applicant the necessary documentation.

Any advertising material for a fundraising activity, which includes the ISLHD logo, must include a statement clearly outlining what percentage of the proceeds will flow to the hospital or facility within the ISLHD.

MEDIA

The ISLHD Chief Executive is responsible for any media liaison relating to fundraising activities that pertain to hospitals and facilities within ISLHD. Therefore approval **must** be obtained from the Chief Executive prior to any contact being made with media outlets. Please allow **10 days** for approval and Corporate Communications can discuss any media opportunities which may assist promoting the activity.

RAFFLES

When the **total retail value of raffle prizes is less than \$5,000** Corporate Communications can provide the Applicant with their standard raffle tickets. This cost will be recovered from funds raised at the completion of the fundraising activity.

If the **total retail value of raffle prizes is over \$5,000** please contact Corporate Communications to discuss.

Raffle prizes that exceed a total retail value of \$25,000 must be run as an Art Union. Raffle prizes prohibited include:

- Money prizes over \$25,000
- Tobacco products
- Firearms or ammunition
- Prohibited weapons
- Cosmetic surgery or other procedure designed to improve personal appearance
- Liquor prizes exceeding more than 20 litres.

RECORD KEEPING

All income and expenses must be accurately recorded on the 'Statement of Income and Expenditure from External Fundraising', which will be provided with the letter of endorsement. It is a statutory requirement of *the State Records Act* and *Charitable Fundraising Act 1991* that all paperwork relating to fundraising activities must be kept for seven years. All paperwork **must** be returned to Corporate Communications together with the net funds within a month of the project completion date. Be aware that ISLHD can request and are entitled to audit your records, and so it is necessary for the Applicant to keep all documentation/records for the seven year statutory period.

FUNDRAISING RETURN

It is a guideline of both the *Charitable Fundraising Act 1991* and NSW Health Fundraising Policy that the proceeds from an appeal are applied to the purposes or objects of the appeal, and that any expenses deducted are lawful and proper.

A fundraising appeal for donations only (with no associated supply of goods or services) must take all reasonable steps to ensure that a minimum return of 50% is realised.

The *Lotteries and Art Unions Act 1901* requires minimum returns for certain forms of lottery or games of chance e.g. a minimum return of 40% should be achieved from raffles, 30% from art unions and 12.5% for charity housie.

In all other cases, including where goods or services are supplied, all reasonable steps must be taken to ensure that the expenses payable do not exceed a fair and reasonable proportion of the gross proceeds obtained.

Commercial fundraising includes the acquisition of funds or goods with an obvious benefit to the donor. When any facility or service within ISLHD is used to facilitate the sale of commercial products where it receives a percentage of those sales, that percentage should be at least 50% of the sale price.

The proceeds of the event, the statement of income and expenditure, event completion form together with copies of receipts for all expenditure, are to be sent to the ISLHD **within 14 days** of the conclusion of the fundraising activity.

FUNDRAISING EXPENSES/RECEIPTS

For fundraising purposes and accountability of monies raised, in some instances it will be necessary for Applicants to open a separate bank account which incorporates the name of the specific hospital they are raising funds for in its name. For example, 'Mrs Smith's fundraising, funds held in trust for Illawarra Shoalhaven Local Health District'. This account will need two signatories, and will be used to bank proceeds and pay any expenses of your event.

A receipt will be issued once the following items have been returned to Corporate Communications:

- 'Statement of Income and Expenditure from External Fundraising' (see below for more information)
- Invoices
- Unused raffle tickets.

The 'Statement of Income and Expenditure from External Fundraising' must have attached all records that validate accuracy of all items listed, how many raffle tickets issued, sold and returned

receipts that tally etc. Receipts for tax purposes can only be issued to people giving donations of money. The following are **not** tax deductible:

- Raffle or art union ticket purchases
- Purchases of goods (e.g. chocolates, merchandise) or services
- Purchases made at an auction.

The following are tax deductible:

- Donation \$2.00 or more
- Donations with associated minor benefits (see examples below).

From 1 July 2004, individuals will, in certain circumstances, be able to receive a tax deduction for the net amount of a donation made to a deductible gift recipient, which has an associated minor benefit. The deduction will be available for cash donations above \$250, where the value of the benefit received by the donor is no more than 10% of the donation or \$100, whichever is less.

Example 1: if you hold a fundraising dinner and charge \$1,000 but the market value of the dinner was \$100, participants will be entitled to a \$900 tax deduction. The dinner ticket price can be split into a \$900 tax-deductible donation and a \$100 price of dinner including GST.

Example 2: if you hold an auction for a new item and the final bidder bids \$2,500 for the item and the item market value is \$200, then this concession does not apply and the whole amount is subject to GST and is not considered a donation. This is due to the fact that the market value of the item purchased by the participant exceeded \$100.

Supporters may like to make a donation to a hospital, and are subsequently entitled to a tax-deductible receipt. Corporate Communications can provide the Applicant with a form to record the details which ISLHD requires in order to process donations. These details include full name, company, and address, phone contact numbers and donation total.

DISCLAIMER

ISLHD reserves the right to withdraw approval from the fundraiser/event at any time if it appears that there is a likelihood of the fundraiser failing to adhere to any of the above terms and conditions. This process is called Disendorsement.

Thank you for proposing to raise funds for ISLHD and adhering to these guidelines.

Enquiries should be directed to:

Corporate Communications

Phone: 4221 6859

Fax: 4221 6868

Email: ISLHD-Communications@health.nsw.gov.au