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**FUNDRAISING POLICY
AND PROCEDURES**



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1. INTRODUCTION

1. There is a proportionate risk from financial crime at every stage of a charity's activity: at the point of income generation and fundraising, in the course of the administration of the charity, and when charitable funds are disbursed. The purpose of this policy and set of procedures is to manage these risks and to ensure that Good Vibrations raises, accounts for and spends its income in an ethical, careful, legal way, which complies with additional stipulations set out by its funders.
2. The incidence of reported financial crime affecting charities is relatively small compared to the size of the sector. However, when it does happen the impact can be great, and so it is important that charities take this risk seriously.
3. The voluntary nature of charities and their nature and areas of work can make them vulnerable to people who want to misuse charities for their own gain. Financial crimes such as bribery, fraud, theft, and money laundering, or the loss of electronic data can result not only in significant loss of charitable funds but also in damage to the public trust and confidence in charities more generally.
4. Areas of risk relating to fraud and financial crime to which Good Vibrations may be susceptible:
 - Income-related fraud
 - Expenditure fraud
 - Property fraud
 - Procurement fraud
 - Fraudulent fundraising in the charity's name
 - Fraudulent invoicing and grant applications
 - Identity fraud/theft
 - banking fraud
 - e-crime (including phishing)
 - Gift Aid fraud

2. METHODS OF DONATING TO GOOD VIBRATIONS

1. People wanting to donate to Good Vibrations can:
 - Make a one-off or regular donation [through our online JustGiving platform](#)
 - Send a cheque payable to Good Vibrations (Music) Ltd.
 - Transfer money by BACS to Good Vibrations' bank account
 - Sell items on E-Bay and select for all proceeds to go to Good Vibrations (Music) Ltd.
 - Bequeath a legacy in their will to the charity
 - Set up a Give as you Live account for shopping with most big online retailers - with Good Vibrations (Music) Ltd. at their nominated charity

3. GIFT AID

1. Donations made under Gift Aid are treated as if the donor had already deducted basic rate tax from them. Good Vibrations can then reclaim this tax to increase the value of a donation. Internal controls help ensure accurate returns are made maximising the value of donations.
2. Maximising the value of donations is important for all charities. Internal controls ensure that proper records are maintained reducing the risk of amounts being reclaimed by Her Majesty's Revenue and Customs (HMRC).
3. Accurate records and timely returns ensure the charity receives the tax recovery promptly and with confidence.

4. Full details of the records that must be maintained are set out on the HMRC's website.
5. Other controls recommended include checks to ensure:
 - That amounts expected from committed donors have been received
 - Tax repayments due have been received

4. PUBLIC COLLECTIONS AND FUNDRAISING EVENT PROCEDURES

1. These procedures are to be followed by team members when carrying out public collections or fundraising events for Good Vibrations.
2. At least two people, including one Good Vibrations team member, must be involved in handling and recording money received, and public collections must be counted in their presence and a numbered receipt given to them.
3. Collection boxes must be sealed before use so it is apparent if they have been opened before they are returned the staff member with oversight for the fundraising activity. They must be individually numbered and their issue and return recorded. If ongoing collections take place they must be regularly opened and contents counted.
4. Cash collected must be banked by Good Vibrations as soon as possible without deduction of expenses.
5. Good Vibrations is permitted to collect in places where the public has free access but which are not considered public places, and so are not subject to regulations, e.g. churches, stations and shopping precincts. Collections may still require permission from the owner/landlord so permission must be obtained by a member of the Good Vibrations' management team.
6. If it's a public collection, outside a shopping centre or on the street, Good Vibrations must seek a licence from the local authority or police. In these cases Good Vibrations fundraisers must also be able to:
 - Produce a valid local authority or police licence where applicable
 - Give a solicitation statement detailing how they are remunerated to the donor
 - Wear an official identity badge
 - Have a sealed collection container with our registration number and name on it that matches the details on the identity badge
 - Tell the public how to contact us directly and how to donate using other methods
 - Prove that the people collecting have our permission to collect
7. For fundraising and sponsored events:
 - Records must be maintained for each event in sufficient detail to identify gross receipts or takings and costs incurred
 - All tickets must be pre-numbered, a record kept of people who have been issued with tickets to sell, which tickets numbers they have, and how many have been sold - with all money from tickets and unsold tickets being collected and reconciled.
 - Where external fundraisers are engaged, the trustees must comply with the requirements of Part II of the Charities Act 1992 - Charities and fundraising (CC20).
 - If a sale of food to the public is organised, the catering supplier must be licensed. The local council or food.gov.uk has more advice on this.

- If a raffle is held, and there is a single prize worth >£200, or tickets are sold before the day, a license may be needed - see gamblingcommission.gov.uk for more information.
8. Larger events organised on behalf of Good Vibrations are likely to require first aid cover. The amount of cover needed depends on the event size and local councils can give more advice. Good First Aid providers: St John Ambulance sja.org.uk & The Red Cross redcross.org.uk.
 9. Events where there will be alcohol or live music will require the organiser to apply for a temporary event license. See gov.uk/temporary-events-notice for more details.

5. DUE DILIGENCE AND SUBSTANTIAL DONATIONS

1. This section is aimed at helping Good Vibrations decide with whom we will contract, and from whom we will accept money. Good Vibrations is prepared to accept donations from any individual or organisation so long as it is satisfied that the relationship will:
 - Enable Good Vibrations to further its aims, brand positioning, or charitable activities
 - Not compromise any legal or ethical standards applicable to its professional or charitable functions
 - Not present a conflict of interest for Good Vibrations or compromise its integrity
 - Not present any risk to Good Vibrations' reputation
 - Provide sufficient benefit to Good Vibrations within its agreed strategic and charitable objectives, and without detriment to the wider public interest.
2. This applies to relationships with individuals, companies, trusts, and foundations but not to statutory bodies or UK government support. It does not apply to donations of under £5,000.
3. Before any commitment is entered into by Good Vibrations, a staff member will carry out brief research using public sources.
4. Certain potential relationships will raise no issues of significant concern in which case that will be recorded on the donor file/Fundraising Pipeline.
5. If there are concerns the staff members will complete a Due Diligence Checklist to highlight areas of concern with the Chief Executive/Chair of Trustees. This will cover:
 - The identity and background of the third party or donor
 - Investigating the source of funds in order to comply with the *Bribery Act 2010* and the *Money Laundering Regulations*
 - Assurance the third party is legitimate and can meet its/their financial commitment
 - If entering into the relationship will present a conflict of interest for Good Vibrations
 - If the risk and cost to Good Vibrations would outweigh the potential benefit
 - What benefits it will bring to Good Vibrations
 - If the undertaking in question/proposed relationship is likely to raise concerns among a significant number of stakeholders or to attract unfavourable media coverage
 - If the financial benefit of the relationship is likely to be outweighed by any additional costs of managing the relationship
6. If necessary, Good Vibrations will create a strategy for managing risks in relation to individual partnerships and will refer any matters of doubt or concern to the Board to gain approval.

7. Good Vibrations must abide by the legislation in Section 27 and schedule 3 of *the Finance Act 2011* - aimed at countering the abuse that can arise when a donor gets relief from tax, only for the capital or a benefit from the donation to end up back in the hands of the donor. Although the legislation is intended to affect the tax position of the donor, Good Vibrations should be aware that if it has claimed a repayment of tax on the gift, an income tax charge will arise on that repayment and Good Vibrations may be liable for this charge if it was party to, or aware that, one of the main purposes of the arrangement was to provide financial advantage to the donor.

6. LEGACY INCOME

1. Significant time can elapse between the notification of a legacy and its final receipt. Internal financial controls should be directed at ensuring that all legacy income to which the charity is entitled is actually received and properly recorded in the accounting records.
2. Records will be maintained of all legacies notified to Good Vibrations. Agents such as Smees & Ford can also be used to check probate records to ensure a charity is aware of all legacies to which it may be entitled. Good Vibrations does not currently consult probate records as the volume of bequests received does not merit the cost of the subscription.
3. Control procedures should ensure that:
 - Legacies to which the charity is entitled are recorded in accounting records
 - Adequate correspondence files are maintained
 - Regular reviews of progress on collection of outstanding legacies
 - Chattels and property received are held securely, valued and sold or realised

7. TRADING INCOME

1. Trading includes all goods and services provided for a fee and can include charitable activities where fees are charged, as well as those trading activities that raise funds for Good Vibrations.
2. Controls should be designed to ensure that all income due to Good Vibrations is received and recorded. Controls will include (as appropriate):
 - Regular reviews of trading activities to ensure that they fall within tax exemptions
 - Establishing a pricing policy for goods and services supplied including regular reviews of pricing structures to ensure appropriate cost recoveries
 - Invoicing procedures for all goods and services provided
 - Review of outstanding debts and debt collection procedures
 - Stock control procedures
 - Procedures to reconcile amounts invoiced and cash received to outstanding invoices
3. *Trustees, trading and tax: how charities may lawfully trade* (CC35) gives further guidance.

8. FUNDRAISING - DELEGATED AUTHORITIES

1. At its meetings, the Board are advised of fundraising activity that has been carried out in the last quarter and pending income relating to that activity. A quarterly fundraising report is compiled, which a trustee with fundraising expertise has oversight of, and presents to the trustees.

2. The Chief Executive will sign all fundraising contracts relating to known-fundraising activity, which has been approved by trustees in these quarterly meetings. This will be the case except when the contract makes it clear that an additional signature is needed, in which case, the Chief Executive will gain this signature for the contract.
3. The Chief Executive or a member of the management team will review and approve all funding applications written on behalf of Good Vibrations before they are submitted. The CEO and a second team member will review all funding applications of over £20,000 before they are submitted. For funding applications of over £200,000, a member of the Board will also review the application before it is submitted.
4. There is an item about fundraising on Good Vibrations' risk register, which is regularly reviewed and updated as necessary.

This policy is informed by the Fundraising Regulator's Code of Fundraising Practice (Oct 2019 – last updated 4 June 2021) and OSCR Fundraising Guidance for Charity Trustees

- <https://www.fundraisingregulator.org.uk/sites/default/files/fr-code/English-Code-of-Fundraising-Practice-October-2019.pdf>
- https://www.oscr.org.uk/media/3038/v10_fundraising-guidance-for-charity-trustees.pdf