Digital fundraising and cashless giving: insight and learning

Joanne McDowell, NI Manager
Paul Winyard, Policy Manager
Fundraising Regulator
What we will cover

• Brief introduction to the role of the Fundraising Regulator
• Overview of the standards relating to digital fundraising
• Insights from emerging trends in our enquiries and casework
• Tips on risk assessment and presenting information online
• Special considerations for particular fundraising methods
5 years of the Fundraising Regulator

• 2021 marks 5th anniversary – established to protect the public and support vital work of fundraisers
• Received 5,700 enquiries from charities and public
• Registered 5,000 charities and companies (registrants are eligible to display the Fundraising Badge)
• Supported 13,500 people through Fundraising Preference Service (FPS)
Funding fundraising regulation

• Levy funding enables FR to deliver core functions to protect public, support fundraisers and ensure standards remain high

• Fees represent 0.1% of overall fundraising expenditure by larger charities (spending £100k+)

• NI Charity Registrants - 156
  • Levy Payers 24 / Voluntary Registered 132
Standards for digital fundraising

- Code of Fundraising Practice sets the standards that apply to UK fundraising
- Method of digital fundraising (section 10), intersects with many other code sections e.g.
  - Part 1: All fundraising - trustee responsibilities, personal data, processing donations
  - Part 2: Working with others – volunteers, children, working with third parties
Considerations for cashless giving

• Basic principles are the same as for any other form of fundraising

• Four values support all the code standards
  • Legal
  • Open
  • Honest
  • Respectful
Looking back

• Key focus of past two years was supporting charities to fundraise safely during the Covid-19 pandemic
• Worked with Chartered Institute of Fundraising and others to produce good practice guidance
• Saw shifts in regulator’s enquiries and casework, reflecting changing landscape
• Though winter 2021/22 is uncertain, early indications sector is starting recovery, and has key decisions to make on future practice and planning
Emerging fundraising trends

• Common enquiry themes include commercial partnerships, lotteries, volunteer fundraising and online fundraising platforms

• 252% increase in complaints reported by charities about online methods (Apr 20 to Mar 21) though overall complaints down 4% on previous year – see Annual Complaints Report 2020/21

• People complain most to the regulator about charity bags, digital and addressed mail fundraising methods
Key considerations for digital fundraising

• Pandemic has accelerated use of digital fundraising with charities adapting traditional methods to online space

• With growth and innovation, also comes potential risk

• Also, note some differences in rules when fundraising online compared to other methods – especially lotteries

• Review of Code of Fundraising Practice in 2022 will consider whether existing online fundraising standards are sufficient or if further guidance is needed
Assessing and preventing fundraising risks

• Trustees have ultimate responsibility for charity fundraising activities, though may delegate day-to-day operations to staff

• Charity governing body must take reasonable steps to assess and manage fundraising risks (standard 2.2.1)

• Starting point should be risk assessment e.g., financial processes, vulnerable circumstances, health and safety, reputational, Covid-19

• Consider risks associated with emergency or crisis appeals, especially with regards to fraud
Tips for assessing and monitoring risk

• Risks will be specific to type of activity, location etc.

• Ensure you think about all people that may be affected e.g., staff, volunteers, public, beneficiaries etc.

• Unlikely risks will be eliminated entirely, consider the actions you can take to minimise serious effects

• Translate policies into action through training, monitoring compliance and revising through learning

• See www.preventcharityfraud.org.uk for more advice
Helping the public and donors to give safely

• Fundraising Regulator and other bodies joining forces to encourage public to give safely this Christmas - important when volume of appeals increase means more opportunities for fraud

• Key messages to check charity name and registration number, look for the Fundraising Badge, use the regulator’s online Directory, and ask for more information if uncertain
Presenting information online

• Main theme of complaints about digital to regulator is misleading information – also a cross-cutting theme across other methods

• Be clear why donations are needed and what funds will be spent on

• Consider the content and presentation of information carefully

• Inform donors what will happen if you exceed or do not reach goal

• Be prepared to back up any claims with evidence where necessary

• Provide volunteers with appropriate training and support
Considerations for lottery fundraising in NI

• Subject to NI Legislation and Department for Communities Guidance

• Laws in NI differ from rest of UK; recent updates allow for online fundraising, still considering cost of tickets and prizes

• No statutory definition of a lottery in NI. Lotteries are unlawful unless they are a) small lotteries incidental to an exempt entertainment b) private lotteries c) societies’ lotteries or d) part of the National Lottery

• Society lotteries are one in which tickets or chances may be sold to the general public
Working with third parties

• Code applies to organisations or people that a charitable institution has authorised to fundraise on its behalf (see code sections 5 and 7)

• Charities must monitor paid third-party fundraisers and commercial partners and ensure they comply with the code

• Check if you need a written agreement and/or solicitation statement and any licenses for the fundraising activity

• Note: no legislation in NI relating to professional fundraisers or commercial participators (see section 7)
Looking ahead

• Priority is to continue to deliver effective and proportionate regulation

• Workplan highlights include
  • Updating guidance
  • FPS improvements
  • Review of Code of Fundraising Practice

• Will publish new Strategic Plan 2022-27 in summer
0300 999 3407, enquiries@fundraisingregulator.org.uk
joanne.mcdowell@fundraisingregulator.org.uk

Sign up for updates www.fundraisingregulator.org.uk/newsletter

@FundrRegulator
Any questions?