

FUNDRAISING AND SPONSORSHIP POLICY

1. PREAMBLE

- 1.1 Major fundraising activities and activities aimed at securing sponsorship are implemented at all levels within Scouts Australia from National to Group. Whilst Groups and Regions are encouraged to obtain sponsorships or donations or fundraise at "local" level, approaches to medium to large companies at "State Office" level should only be done after consultation with the General Manager or Chief Commissioner. This is necessary to ensure approaches are not made by more than one section of Scouts NSW at any one time. The General Manager or Chief Commissioner will be aware of any National and State activities. The need for consultation is particularly important during the "build up" to Jamborees to be held in NSW, as fundraising by the Jamboree organisers is at a significant level at these times.
- 1.2 Youth members should earn funds, not solicit them. Funds gained in Scout Job Weeks, car washes, sale of lamingtons, chocolates, etc. and walkathons are seen as earned. Funds raised by raffles, guessing competitions, etc. are seen as donations and are the responsibility of Group and other support committees, which should not involve youth members in those activities.
- 1.3 Scouts NSW has for many years been a charity registered under the Charitable Collections Act, 1934. Since the Charitable Fundraising Act, 1991 came into force (1st September 1993) the Association has been the holder of an authority to fundraise under the 1991 Act.
- 1.4 Section 5 of the Charitable Fundraising Act, 1991 includes soliciting or receiving money or other benefit as a "fundraising appeal" if the purpose of the soliciting or receiving is a charitable purpose, irrespective of whether the money is received as a donation or for the supply of food, entertainment or other goods or services.

2. GUIDELINES TO REGULATIONS ON FUNDRAISING

2.1 Preamble

These Charitable Fundraising Act Guidelines are for the guidance of all Formations in fulfilling their obligations under the Charitable Fundraising Act, 1991 and the Charitable Fundraising Act Regulations, 1993.

The Charitable Fundraising Act is about accountability. It is about accounting for the funds we raise from our members and the public and how we spend them. It is really what we are doing already, BUT DOING IT BETTER.

2.2 Authority

1. The New South Wales Branch of The Scout Association of Australia has been issued with an "Authority to Fundraise" under the Act. This means that this State is considered by the New South Wales Government to be the "Peak Body" and it is therefore responsible for the compliance with the provisions of the Act by all the Formations, committees, and activities etc. under its control.
2. Before conducting any fundraising activity, each Formation, committee, activity or any other entity within Scouts NSW is required to obtain a Charitable Fundraising Act "**Certificate of Authority to Fundraise**".
3. A Group or Rover Crew shall obtain a Certificate of Authority to Fundraise for each fundraising activity from its supervising Commissioner.
4. Any Formation (other than a Group or Rover Crew), committee or activity shall obtain a Certificate of Authority to Fundraise for each fundraising activity from State Office.
5. The Certificate of Authority to Fundraise will be issued for the period of the activity only, with a maximum period of one year for any ongoing activity such as Cash a Can etc. held on a regular weekly, bi-weekly or monthly basis.
6. *Any Formation that continually fails to comply with the requirements of the Act will be de-registered so as not to put in jeopardy the fundraising authority of the State.*

2.3 Definition of Fundraising

Under the Act, "fundraising" has a very wide interpretation.

"Fundraising" is defined as 'soliciting or receiving of any money, property or other benefit from the public, if the appeal is made for a charitable purpose or for the support of an Organisation having a charitable object'.

Note that the definition covers not only donations solicited but also those received, even though there has been no request made for a donation.

The definition is wide-ranging and in some instances perplexing. Therefore, to avoid confusion, State Office has decided that all income received by any Formation of The Association will be treated as Fundraising and accounted for accordingly. Only Membership Fees will be recorded separately (refer to the Formation Cash Book).

The following are examples of Fundraising:

- Scout Job Weeks.
- Donations, solicited or unsolicited.
- Raffles, lotteries and “games of chance” (these are also subject to the Lotteries & Art Union Act - see para 2.13).
- Competitions.
- Sponsorship (walkathon, telethon, pole sitting or similar event).
- Cash a Can.
- Supply of: Food (catering, lamington drive, cake stall etc.),
 - Entertainment (concert or Gang Show),
 - Other goods or Services
- Or in connection with any other commercial undertaking.

2.4 Requirements of the Act

The Act places certain requirements on an Authority Holder. Consequently, all Formations of the Association are in turn subject to those requirements as well. These requirements are detailed in these Guidelines and in the Formation Cash Book.

2.5 Financial Accountability

2.5.1 Formation Cash Book

- (a) The Act requires that Organisations prepare annual accounts and present them in an acceptable manner.
- (b) The Association has prepared a Formation Cash Book that conforms to the requirements of the Act. This Cash Book is issued free to all Formations annually. All Group Support Committees, Rover Crews, Scout Fellowships, and other Formations of the Association will use this Cash Book to maintain their financial records. The Cash Book provides for both monthly reporting and annual reporting which, when completed correctly, comply with the relevant requirements of the Act.
- (c) The Formation Cash Book contains detailed instructions and guidelines for Treasurers and Auditors involved in keeping the Formation’s accounts.

2.5.2 Computerised Accounts

- (a) A computer program using Excel will shortly be available to produce the full set of accounts as detailed in the Cash Book.
- (b) Spread sheets may be set up by Treasurers to produce Monthly Statements of Payments and Receipts, Monthly Summary of Income and Expenditure and Fundraising Income and Expenditure, together with Bank Reconciliation. The Treasurer and Chairman must present up-to-date printouts of these accounts, together with the current Bank Statement, at each meeting for signature.
- (c) Such spread sheet accounting is acceptable provided that it will produce the Annual Report pages AR1 – AR4 exactly – the format shown in the Formation Cash Book.

2.5.3 Auditing Accounts

- (a) The Act requires that a registered company Auditor or qualified Accountant audit all accounts where available. Should such a person not be available, then the audit may be carried out by a person with suitable accounting experience, who has no direct personal

association with any member of the Group Support Committee, and has been approved by the supervising Commissioner.

- (b) Names of Auditors must be submitted to the supervising Commissioner allowing plenty of time for approval to be given.
- (c) The role of the Auditor is to examine the records of the Formation in order to form an opinion as to:
 - whether the accounts show a true and fair view of the finances of a Formation and, in particular, the financial results of fundraising activities for which they relate.
 - whether the accounts and financial records have been properly kept in accordance with the legislation.
 - whether all moneys received including the result of fundraising activities conducted during that year have been properly accounted for.
 - whether the accounts relate to ALL monies held by the Formation.
 - whether the funds are held in trust or belong directly to the Formation.
- (d) The audited accounts, signed by the Auditor, the Chairman of the Group Support Committee and the Treasurer, are to be formally adopted at the Annual Report Presentation and a motion of adoption recorded in the Minutes.

2.5.4 Recording of Funds Received

- (a) All funds received must be accounted for and recorded in the appropriate section of the Cash Book.
- (b) When handling cash, two people should count the money together.
- (c) Receipts should be issued when money changes hands. All money paid to the Treasurer should be receipted. Numbered Scout Association of Australia Receipt Books should be used. The register of Receipt Books in the Formation Cash Book must be maintained.
- (d) All proceeds from fundraising activities must be paid into the Formation bank account in total. No deductions should be made for cash reimbursements. Such reimbursements must be made from Petty Cash. Petty Cash expenditure and payments must be recorded in a suitable book which forms part of the annual accounts and must be audited.
- (e) Only one bank account will be maintained by a Formation. Where a Venturer Scout Unit or Rover Crew is part of a Group, the Unit or Crew may conduct its own bank account and maintain suitable financial records. These records and Bank Statements must be audited by the Formation's Auditor and consolidated with the Formation's annual accounts.

2.5.5 Expenditure of Funds

- (a) Funds may only be expended when approved by a properly constituted Committee and recorded in the Minutes.
- (b) The Act states that funds raised for a specific purpose may only be expended for the particular specified purpose. It is therefore suggested that when raising funds, the stated purpose should be a general description (e.g. for Scouting Activities, or Scout Hall Extension, or Ongoing Activities).

2.6 **Responsibility of Groups, Rover Crews and other Formations**

It is a requirement that a Formation shall hold an Annual Report Presentation (ARP) at which an audited set of accounts will be presented. To ensure a uniform and orderly system of reporting the Association has decided that Formations shall hold their ARPs as follows:

1. To ensure a uniform and orderly system of reporting, Groups, Rover Crews and all Formations attached to Regions shall:
 - (a) Have a **Financial Year** commencing on the 1st of January each year.
 - (b) Hold an **ARP** before 30th April each year.

2. The Formation Cash Book has been designed to record and present the financial statements to comply with the requirements of the Act. The following forms within the Cash Book are to be completed in triplicate:
 - (a) Fundraising Income and Expenditure.
 - (b) Annual Financial Report.
 - (c) Notes forming part of the Annual Financial Report.
3. One copy of each form to be retained by the Formation in the Cash Book with one copy going to the Region.
4. The supervising Commissioner present at the Formation's ARP will collect the Region's copies of these forms and forward them immediately to the Region Office, together with the record of office Bearers, Record of Assets, Census and any other forms that may be required by the Association and the Charitable Fundraising Act.
5. The Region shall retain these records for a period of seven years.
6. The Act requires that the Department be notified in the following circumstances:
 - (a) When a new Formation is registered with the Association (this will be done by State Office).
 - (b) When a Formation is de-registered by the Association (this will be done by State Office).
 - (c) The change of the postal address of a Formation (State Office will arrange this upon receipt of notification from the Formation).
 - (d) The elected office holders of the Formation together with their addresses and phone numbers. This information must be filled in on the form supplied by the Association on completion of the ARP.
7. A Census will be taken by all Formations during March each year and submitted to the ARP.

2.7 Guidelines for all Formations to Follow When Fundraising

2.7.1 Prepare a Plan

- (a) Nominate the specific purpose for the fundraising activity. Members are more willing to participate if the activity is to raise funds for a particular purpose.
- (b) Plan the activity in detail.
- (c) A fundraising activity is more successful if it is well planned in advance.

NOTE:

- The purpose designated for a fundraising activity should be, if possible, for a general or achievable project.
- Special conditions apply when youth members are engaged in a fundraising activity (see para 2.10).

2.7.2 Prepare a Budget

- (a) Each Formation should prepare an annual budget to determine their expected financial requirements and plan the means by which they are going to finance those expenditures.
- (b) A specific budget should be prepared for each fundraising activity.
- (c) The Act requires that each fundraising activity should show a profit.
 - In the case of an Art Union such profit must exceed 40%.
 - In the case of a Financial Appeal such profit must exceed 60%.
 - In the case of sale of goods such as through lamington drives or chocolate sales, the activity must show a reasonable profit margin similar to a normal commercial transaction.
- (d) If a profit earned on a fundraising activity falls short of the requirements stated above, then a statement should be prepared, detailing the reasons for the shortfall. This statement should be attached to the accounts and be available should a Department Inspector from the Government office of Charities wish to examine the Accounts.
- (e) It is recognised that certain activities, such as Gang Show etc., may not be able to show the required profit margin. These activities may be classed as "Training Activities".

2.7.3 Obtain a Certificate of Authority to Fundraise

- (a) The Certificate of Authority to Fundraise should be obtained from the supervising Commissioner well in advance of the proposed activity so that in the case of any possible doubt about conducting the activity, enquiries can be made of the Department so any appropriate extra authorisation may be granted in time for the fundraising activity to proceed.
- (b) Two copies of the Certificate of Authority to Fundraise will be issued. One copy is to be returned to the supervising Commissioner as soon as possible after the completion of the fundraising activity, with a statement of income and expenditure for the activity.

2.7.4 Identification of the Formation.

- (a) Uniformed Members should wear hat and scarf as a minimum.
- (b) Non uniform personnel should wear suitable Scouting identification.
- (c) In the case of Stalls, Cash a Can etc., a Group Name Banner will suffice as identification.

2.7.5 Recording of Income Received

- (a) Numbered receipts, tickets or dockets should be issued for each transaction, or if this is not possible a tally sheet signed by the payee should be kept. The proceeds should be counted with at least two persons present. The Treasurer should issue a receipt to the person responsible for conducting the activity when the funds from the activity are received.
- (b) In the case of Cash a Can or similar activity, a Tally Sheet should be kept listing the amount paid out for each transaction, and signed by each person receiving a payment.
- (c) The total proceeds from a fundraising activity must be banked into the Formation's account without delay. Such funds will be separately identified for that particular fundraising activity.
- (d) Reimbursement for out of pocket expenses must be made by cheque or from a properly recorded Petty Cash float.

2.7.6 Statement of Income and Expenditure

- (a) A statement of income and expenditure for each fundraising activity shall be prepared on completion of the activity and submitted to the next regular Committee meeting of the Formation.
- (b) The duplicate copy of the Certificate of Authority to Fundraise will be filled in stating the total income received and the total expenses incurred for the fundraising activity. The certificate will be forwarded to the supervising Commissioner as soon as possible after the completion of the activity.

2.8 **Record of Assets of a Formation**

A record of ALL the assets of a Formation should be prepared and updated for each ARP. Equipment purchased or received as a donation during the year should be included on the list. All items on the Record of Assets should be inspected regularly and re-valued to ensure adequate insurance cover.

Alteration and additions to buildings carried out during the year should be included on the Record of Assets and up-to-date valuations obtained.

2.9 **Insurance**

1. The State Office will effect all Insurances required under this Act.
2. Insurance of the buildings and the contents of a Formation will be covered by the Association's policy. The Formation is required to submit annually, to State Office, on the form provided, a record of these assets together with **accurate and up-to-date** valuations of the contents for Insurance purposes. The Formation will be invoiced for this and other Insurances based on these valuations and of the Association's professional valuers for buildings. Formations are responsible for insuring their own vehicles and vessels.
3. Persons working on Scouting property, and being paid for that work, must be covered by Workers Compensation. State Office must be advised in these circumstances if the Association is to cover such persons, otherwise the worker **will not be covered**. Alternatively, Formations may arrange their own Policies, bearing in

mind that it is virtually impossible to engage “contractors” to do manual work without incurring responsibility for such persons under the Workers Compensation Act.

2.10 Participation of Youth Members in Fundraising Activities

1. The Act states, and it is the State Policy that generally, youth members under the age of eight years will not participate in a fundraising activities except in special circumstances e.g. fun runs or other special events.
2. It is the Association’s Policy that the raising of funds is not the responsibility of youth members except in activities specifically approved by the Board of Directors, e.g. Scout Job Weeks.
3. Youth members between the ages of 8 and 15 years participating in an approved fundraising activity:
 - (a) Must wear suitable identification whilst fundraising. Hat and Scarf is considered suitable for assisting with general fundraising activities. For Scout Job Weeks, participants should also carry the official Job Week card which must be signed by the Leader and show the participant’s name.
 - (b) Must have parental or guardian consents to participate in the fundraising activity. If a general Parental Permission form has not been signed when the child joined Scouts NSW then this form should be signed before the child is permitted to join the fundraising activity.
 - (c) Must work in pairs, particularly when entering private premises and must operate in their local neighbourhood.
4. An Adult Leader or the child’s Parent or Guardian should know the locality in which the child plans to operate.
5. For youth members participating in a fundraising activity over an extended period and in a group, as well as the above requirements, arrangements must be made for refreshments, toilet facilities and rest breaks at suitable intervals.

2.11 Participation by Adults in Fundraising Activities

1. Adults participating in face to face fundraising, door to door, on the street or in a Shopping Centre, must wear suitable Scouting Identification.
2. Adults working on a stall or similar venue need not necessarily wear identification provided the stall displays a suitable identification Banner.

2.12 Complaints Handling

1. The Charitable Fundraising Act requires that Scouts NSW as an Authority Holder, set up a mechanism that will properly and effectively deal with complaints made against the Authority Holder or Formations under its control.
2. Complaints may be made to the NSW Department of Gaming and Racing or direct to the Authority Holder.
3. If complaints are made to the Department, the Department will immediately contact the Association at State Office and request that the complaint be investigated and reported on.
4. The Region Office will handle complaints directed at Formations other than those attached to State.
5. The complaint will be given an identifying number preceded by the Region identification.
6. A “Complaints Register” will be kept at each Region Office. The Register will include the date the complaint was made; the name, address and telephone number of the complainant; the nature of the complaint; the name of the Formation, person or persons which are the subject of the complaint; the action taken to investigate the complaint; details of the findings; and the date and manner by which the complainant was informed of the outcome.
7. The Region Commissioner, or nominee investigating the complaint, will be required to complete an “Action Sheet”. The Action Sheet will include the same information as the Complaint Register together with details of investigations made and any interviews with the person or persons who were the subject of the complaint.
8. When a complaint is received by a Leader related to a perceived breach of the Act, the Leader will immediately advise the relevant Region Office which will record the information in the Complaint Register, allocate a complaint number and raise an Action Sheet. The Region Commissioner or their Nominee will investigate the complaint.
9. A copy of the Complaint Register sheet will be forwarded to State Office.

10. When the investigation is complete, the Action Sheet is to be returned to the Region Office, who will advise State Office of the result of the investigation.
11. The Complaints Register is to be reviewed monthly by the Region Commissioner and outstanding complaints followed up.
12. All records pertaining to the complaint will be kept at the Region Office for seven years.
13. The Region Commissioner shall, after due consultation and consideration, decide any action which needs to be instituted where an individual has been an offender, particularly if on more than one occasion.
14. Where the Organisation is at fault, appropriate steps should be instituted to prevent a further occurrence.

2.13 Lotteries and Art Unions Act

1. Minor Lotteries, such as Raffles, may be conducted without the need for a permit under the Lotteries and Art Unions Act, however special conditions apply.
2. An application for a permit to conduct games of chance, such as housie (bingo), lucky envelopes, chocolate wheels etc. must be lodged with the Department.
3. Further information is available from the New South Wales Department of Gaming and Racing as follows:
 - Fundraising Raffle Fact Sheet
 - Fundraising Games of Chance Fact Sheet
 - Art Union Fact Sheet

2.14 Importance of Compliance

Persistent or continuous failure to comply with the requirements of the Charitable Fundraising Act by a Formation or an individual, could result in the AUTHORITY TO FUNDRAISE issued to Scouts NSW, being withdrawn. This would mean that ALL fundraising activities being conducted by ALL Formations would have to cease immediately.

3. GENERAL

- 3.1** If a fundraising activity is promoted to be for a specific purpose and that purpose fails, then funds cannot be used for any other purpose without applying to the court.
- 3.2** Provided the total value of the prizes offered in any one lottery (raffle) does not exceed \$20,000, a permit from the office of Charities - Department of Gaming and Racing (NSW) is not required, but the prior sanction of the Association must be obtained. The Lotteries and Art Unions Act (NSW) and Regulations there under should be carefully studied by all persons who will be participating in the organisation of such lotteries (raffles) in order to avoid the penalties provided under the Act. In this regard, attention is particularly drawn to:
 1. All prizes must be distributed by the drawing of lots.
 2. Prizes may comprise only "goods, wares or merchandise" as defined in the Act and may not consist of or include cash, open orders or the like, tobacco in any form or any item which is primarily in the nature of a "service", but alcoholic drinks may now be included up to 20 litres.
 3. A net profit of not less than 40% of the gross proceeds in any one lottery must be returned to the Association.
 4. For more details, reference should be made to the "Raffle Fact Sheet" published by the Department of Gaming and Racing (NSW) and held also at the Region Office.
 5. Groups should not overlook the expertise of Regions in the area of fundraising. For instance they may be able to show you how to avoid being left with a large quantity of confectionery or biscuits which are hard to sell. As well as the Charitable Fundraising Act requirement that Formations should report to their next higher level of management on the proceeds of a fundraising appeal, there are Scouting rules covering such reporting, which should be observed (see GROUP SUPPORT COMMITTEE RULES).

4. FUNDRAISING FOR OTHER ORGANISATIONS

- 4.1** Scouts NSW is frequently approached by charitable and statutory bodies to make a house-to-house distribution of pamphlets to promote Appeals or to assist them in door to door collections.
- 4.2** Distribution of pamphlets is a worthwhile activity for Scouts and inculcates a spirit of public service if it is properly presented and explained to our youth members and well organised by our Adult Members. It also offers an opportunity for furthering good public relations with the community. However collection of donations is restricted to adults by law (see GUIDELINES TO REGULATIONS ON FUNDRAISING see point 2).
- 4.3** The problem is that these requests become too frequent. Sometimes the approach is made to State Office and

sometimes direct to local Groups or Regions.

- 4.4 If our youth members are asked to perform this service too often, they come to regard themselves as little more than "workhorses" and it prevents Scouts from engaging in Scouting activities.
- 4.5 Embarrassment is caused when State-wide appeals are promoted at local level, sometimes through local Councils, and results in a variety of reactions from Groups or Regions.

4.6 State-wide Appeals:

The support of a State-wide appeal must be decided at State level. The organisation concerned then knows whether or not it has the backing of the whole State and can act accordingly. If Regions are approached locally for a State-wide appeal, they should not agree to cooperate without the authority of State Office. The State Office will approve of these appeals only in consultation with Region Commissioners. This should ensure that this form of public service is done properly or not at all. State Office will normally limit such appeals to one in each calendar year.

Local Appeals:

When Region Commissioners are approached to support appeals which affect only their own Region they should make their decisions in the light of local relationships and the virtue of the cause. In reaching a conclusion they should bear in mind that they will be expected to cooperate in State-wide activities from time to time. In all cases they will seek the advice of State Office.

When a local appeal involves more than one Group, they must act only in accordance with the decision of their Region Commissioner. Region appeals will normally be limited to one in each calendar year but this would be additional to the one approved State-wide appeal.

4.7 Non-Charitable Local Requests:

These can come from local bodies and can be considered as a form of community service without remuneration or as a means of raising funds for Groups if the approach is from a commercial organisation. The procedure for coordination applicable to "Local Appeals" as above would apply in these cases.

4.8 Requests for Assistance:

Bodies seeking the Association's help in this fashion should approach the State of National Office by 1st August of the year prior to the event, as the Association prepares its programs at about that time.

5. STATE-WIDE AND NATIONAL SPONSORSHIP GUIDELINES

5.1 Definition

1. Sponsorship is a form of marketplace support that enhances programs and activities consistent with the objects of the Association.
2. Sponsorship may be direct, or indirect, financial or in kind.
3. Sponsorship may be by way of affiliation, endorsement, royalty, joint venture licence, underwriting, discounting of commercial rates, term agreements or other such mechanisms as may be mutually agreed.

5.2 Essentials

1. A sponsor must have an ethical market profile with the Australian public, which is consistent with the objects and values of the Association.
2. A sponsorship must generate positive outcomes and enhance the community perception of the Scouting Movement.

5.3 Sponsor/Association Outcomes

1. The Association needs to clearly identify each Sponsor's objective in the allocation of funds.
2. Where a sponsor seeks to achieve specific outcomes, the parties will:
 - Identify the methods of measuring success against the objective(s).
 - Incorporate adequate evaluation and performance audit criteria.

5.4 Protection

The Association will protect icons, names, and various properties through registered devices and trademarks. The use of Scouting icons and properties will in each case be determined in negotiation between the parties

and defined in appropriate contractual agreements. Sponsors who wish to use such icons and properties will directly or indirectly reimburse the Association for such use.

5.5 Agreements

1. Each sponsorship agreement will be evidenced in writing.
2. Each agreement will be for a specified period. Agreements may be subject to extension or renewal, alternatively to termination in the event of contravention of the obligations of the parties.
 - The specific obligations of the parties will be identified.
 - Costs applicable to the Association (if any) will be documented.
 - Ownership of copyright and trademark rights shall vest in the Association.
 - Payments, or in kind benefits to the Association will be documented.
 - Warranty of ownership and rights by the parties shall be documented.
 - Permission to assign interest, if agreed, shall be documented.
 - Clauses shall be included which cover waiver, arbitration, serving of notices, and confidentiality.

5.6 Unacceptable Sponsorships

1. Scouting is a values-based organisation and therefore there are certain companies and products that are not acceptable.
2. The Values Statements in P&R should be consulted in evaluating proposals.

5.7 Sponsorship Upgrades

1. There are current sponsorships by National organisations at Region and State levels.
2. Where a nationally-based Sponsor organisation wishes to upgrade the level of sponsorship to a State wide or National level, which involves a significant change in style and activity, State Office and where appropriate National Office will endeavour to enhance the existing benefits and as a minimum position, protect the existing contract.