

CODE OF PROFESSIONAL CONDUCT & ETHICS

INDIVIDUAL MEMBERS

INTRODUCTION

This Code sets out those matters which are beyond dispute for any Members of the Institute as well as guidelines to which members are expected to adhere in their relationships with employing agencies, whether in the role of volunteer, salaried officer, counsel or supplier.

While the Institute cannot control the activities of the agencies, with which members work, members should endeavour to ensure that those agencies conform to legal requirements laid down by National and/or State legislation, and to Codes of other professional bodies whose members are also involved in the activities of the agency.

Such requirements include:

- (a) a governing body which meets legal and generally acceptable requirements,
- (b) adoption of and adherence to a formal constitution,
- (c) implementation of approved accounting procedures,
- (d) publication of formally audited accounts at prescribed intervals,
- (e) registration under appropriate regulations,
- (f) compliance with any and all other relevant rules and regulations.

There are some areas of activity which have not been officially prescribed but where community expectations are generally known and it is the responsibility of members to adhere to those requirements and to encourage agencies engaging members' services to do likewise. They include:

- (g) inclusion in financial statements of sufficient information to enable informed judgements to be made,
- (h) provision, on receipt of bona fide request, of an accounting of all income received and fundraising costs incurred, by controlled or affiliated subsidiaries and/or other entities,
- (i) application of the major portion of the total income to the agency's service programs and directly related activities,
- (j) application of the major portion of the funds raised in a specific promotion to the programs and activities so promoted,
- (k) maintenance of fundraising costs to a minimum and within acceptable limits,
- (l) a management structure, which ensures that all aspects of fundraising and disbursement of funds raised are effectively, controlled.

1. ACCOUNTABILITY AND DISCLOSURE

Members of Fundraising Institute-Australia Ltd shall:

- (a) See themselves as accountable not only to the Boards and executives of the organisations they serve, but also the wider public, and encourage these organisations to take a similar view.
- (b) Fully and accurately account to boards and executives all income earned and all costs incurred by programs under the members' control. Wherever possible, cost figures should include indirect costs against income sources.
- (c) Actively assist in the production of annual reports, which not only meet statutory requirements but also aim to achieve the standards recommended from time to time by the Australian Institute of Management in its annual report awards program. In particular, annual reports should disclose the cost of funds raised, wherever possible by source of income.
- (d) Make annual reports freely available upon receipt of bona fide requests from members of the public, whether or not they are donors to, or members of the organisation.
- (e) Actively encourage similar standards of accountability and disclosure from affiliated entities (eg state divisions, chapters, branches, and auxiliaries).

2. PUBLICITY AND INFORMATION MATERIALS

- (a) Publicity and information materials should be accurate, truthful and not misleading in whole or in part.
- (b) Information should include a clear description of programs and activities for which funds are requested.
- (c) Publicity and information materials should be prepared as part of planned and ongoing public relations programs. Fundraising and information materials should be part of a positive campaign of building public awareness, understanding and support.
- (d) All fundraising and information materials should clearly identify the benefiting organisation and the programs and activities for which the funds are requested.

Overall, fundraising literature and promotional material should clearly identify the benefiting organisation and the programs and activities for which the funds are requested.

3. IDENTIFICATION OF AGENCY

A minimum level of disclosure is applicable to all fundraising programs, whether through direct marketing, public appeals, or special events:

- Full name of agency or commonly used name,
- Corporate registration number (ACN, etc)
- Full street address,
- Agency logo

ADDITIONAL IDENTIFICATION

In most cases, additional identification should be incorporated:

- (a) **NOMINATING THE CAUSE**
When the cause for which funds are being raised is not obvious from the organisation's name, and/or where the object of the agency's work is not public knowledge, further explanation should be added by way of a sub-title.
- (b) **STATUTORY REQUIREMENTS**
When, by the nature of the appeal, Government authorisation has been sought, that authorisation should be appropriately stated, eg. In the case of raffles and door knocks.
- (c) **IDENTIFICATION OF COLLECTORS**
When the public is approached in a face to face collection, the collector should be required to:
 - Carry an authorised collection card,
 - Wear a name tag which identifies the wearer by name and the organisation's name,
- (d) **DETAILS TO CONFIRM BONA FIDES OF THE ORGANISATION**
Supporting documentation for an appeal (eg in capital fundraising) should include:
 - The names of Agency Trustees or Board Members, and of members of the Appeal Committee,
 - Contacts for queries,
 - The total amount to be raised,
 - The time frame for the appeal.

4. CONFIDENTIALITY

The Code of Ethics obliges members to “**respect and safeguard the confidence proper to a professional relationship**”.

Both consultants and salaried fundraisers employed by agencies are in a position of trust. Thus, they should not disclose information which could cause any embarrassment, harm or discredit to the organisation retaining or employing them or the people the organisation serves (clients, volunteers, members, staff) without prior permission of the organisation.

This includes:

- (a) the disclosure of financial information;
- (b) The disclosure or use of donor names (whether individuals, groups, corporations or philanthropic trusts) and mailing lists;
- (c) The disclosure of security access codes or passwords into electronic data processing systems;
- (d) The disclosure of information regarding clients or patients served by a health or welfare organisation, without the consent of those concerned.

All lists, records and documents acquired in the service of current or former employers and clients, shall be held confidential at all times and left intact when the relationship between the member and the agency comes to an end.

5. DIGNITY AND PRIVACY OF CLIENTS OR PATIENTS

Fundraisers have a responsibility to ensure that all public communications contribute to the goals of the organisation and to the well being of those it serves. Sometimes this poses a dilemma - an approach, which raises the most money, may have the effect of detracting from the dignity and self-respect of clients.

If this is the case, the approach is unethical. The responsibility of members is to preserve the dignity and self-respect of clients.

UNETHICAL CONDUCT IN THIS RESPECT INCLUDES:

- (a) Dwelling unnecessarily or negatively on the impairment, dependency or disability of clients.
- (b) Referring to the client by an unacceptable label such as “a leper”, “a spastic”.
- (c) Using language which suggests that the client is to be pitied or feared.
- (d) Using children on materials to raise funds for adult services, giving the impression that the clients are childlike.
- (e) Telling or implying untruths.
- (f) Depicting clients recognisably without their permission.

6. FUNDRAISING COSTS

All fundraising organisations cannot be judged equally but all should aim for levels of cost which are generally acceptable within the profession and by informed members of the community. Due regard must be given to the nature of the cause, the stage of development of the agency and the type of fundraising program used.

In **BUDGET FUNDRAISING**, a line needs to be drawn between activities designed to attract the “commercial” dollar (high cost, low return) and those seeking the “charitable” or “gift” dollar (low cost, high return).

In the case of the “**COMMERCIAL**” dollar, where services or goods representing value for money are concerned, costs (including cost of goods, services offered, etc.) in the region of 80% would not be unusual but in the case of the “**GIFT**” dollar, costs around 25 to 35% would be regarded as acceptable.

At the other end of the scale, in the case of a relatively “**YOUNG**” AGENCY, or in **DONOR ACQUISITION** programs, costs approximating 100%, and sometimes higher, would not be unusual.

In **CAPITAL FUNDRAISING APPEALS**, as distinct from ongoing Budget Fundraising activities, costs in the area of 15 to 20% would be regarded as “borderline”, around 10 to 15% as acceptable and 5% would be unusually low.

Some fundraising costs (eg. Bingo, major art unions, raffles) are determined by **LEGISLATION OR STATUTORY BOARD REGULATION**. These are to be observed at all times.

7. TELEPHONE FUNDRAISING – TELEMARKETING

With increased use of telephone services in fundraising practice, practitioners should comply with certain basic considerations:

- (a) telephone calls should be made only at reasonable hours. Generally these are, (i) not before 8.00am and not after 8.30pm; and (ii) not on Christmas Day, New Years Day, Good Friday, Easter Day, and other major public holidays,
- (b) callers must appreciate that they may have interrupted during an emergency or some personal activity and should freely offer to call back at a more convenient time,
- (c) callers must provide the persons called with a clear opportunity to accept or decline the invitation or offer. Consent to mail material should never be assumed,
- (d) a refusal of the invitation or offer must always be accepted by the caller, courteously and promptly,
- (e) calls should not be made under false pretences or in the use of research or market survey when the intent of the call is to sell or seek gift money,
- (f) recorded messages in any form should not be used unless the person called is made aware that it is a recorded message and has the ability to clear the line promptly,
- (g) callers must at all times answer honestly any questions asked of them to arrange to find answers to those questions they personally are unable to answer.

8. GENERAL FUNDRAISING PRACTICES

- (a) Subject to the Codes of Ethics and Professional Conduct, nothing shall restrict members’ activities in working with organisations, causes or programs which:
 - Advance human health, welfare, education and recreation, including the arts,
 - Improve social justice, particularly for those who intellectual or physical disabilities,
 - Promote the protection of the environment, and the health of flora and fauna,
 - Advance any other causes which are demonstrably in the public interest.

Although the Institute is a **NON-POLITICAL, NON-SECRETARIAN** organisation, it recognises the rights of members to work with and for political and religious groups.

- (b) Members shall place their professional responsibilities before their own personal interests in serving the agencies or causes by which they are employed.
- (c) Members shall recognise and discharge to the best of their abilities all obligations to the organisations they serve in matters of internal management and administration.

- (d) Members shall actively encourage employing agencies to establish and exercise controls for the protection of the community, the beneficiaries of funds being sought and received, as well as for staff, volunteers, consultants, contractors and members of all affiliated and controlled entities.
- (e) Controls should also be established and exercised to ensure the security of money received from the time the donor hands it over until it has been banked.
- (f) Donors' requests to have money allocated to specific purposes and requests that contributions remain confidential shall be observed and honoured.
- (g) Fundraising activities shall at all times be conducted without the use of pressure, harassment, intimidation, or coercion.
- (h) Members shall make full disclosure to employer, clients and/or, if requested to do so, to potential donors, or any and all relationships which may pose or appear to pose, possible conflicts of interest.
- (i) Members shall at all times conduct themselves in a manner befitting a person of professional status, and shall carry out activities in accord with professional standards.
- (j) It is inherent in the practise of fundraising that the wishes of the donor and the beneficiary are inviolate and the right to be neither giver nor receiver must be respected.

9. PROFESSIONAL CONDUCT REVIEW

Members are referred to the Institute's Constitution and its "Principles and Codes in the Ethics Enforcement Process" when considering any complaint or issue relating to the Ethics or Professional Conduct.

The **ROLE OF INSTITUTE CHAPTERS** in the ethics process is to **EDUCATE** members about Ethical issues and Standards, the Codes, and the Institute's Enforcement Procedures in general. It is **NOT** the Chapters' function to screen, adjudicate, review or advise in specific conditions.

Chapters have no formal or informal role in the processing or adjudication of complaints.

ACTION AND PENALTIES under the Institute's Code of Ethics and Professional Conduct can include:

- Take no further action in the matter;
- Caution the individual or the member concerned that a repetition of such conduct may incur a more severe penalty;
- Issue a reprimand to the individual or member concerned;
- Permanent withdrawal of all membership privileges of the member concerned, including revocation of credentialing from an individual or member, if applicable, either for an indefinite or specific period of time.

Fundraising Institute-Australia Ltd (FIA) is a professional association whose Members are: individuals engaged in fundraising for not for profit organisations and causes, or associated with the not for profit sector; or not for profit organisations engaged in fundraising.

The Institute cannot impose any restrictions on organisations.

The Institute is required under its Constitution to establish and maintain high standards of ethics and practice for its Members. Membership of the Institute – at any level – is dependent on the observance of the Codes of Ethics and Professional Conduct, and the Institute enforces these codes, where necessary, by cautions or warnings, or by suspending or withdrawing Membership rights and privileges.

CODE OF ETHICS

MEMBERS WILL

1. Subscribe to this Code of Ethics and the Code of professional Conduct.
2. Work only with or for organisations or causes which meet or seek to meet demonstrably valid needs.
3. Have due regard to the bona fide needs of organisations or causes, and not seek to raise funds which cannot be justified by the needs.
4. Provide their services either as volunteers, on a salaried basis or on the basis of pre-determined fees if retained as counsel. The receipt of remuneration by way of commission or payment in any way related to the amount raised is specifically deemed to be unethical.
5. Predict fundraising results only on the basis of professional analysis and not undertake any work by guaranteeing results, misinterpreting past achievements or promising compensation for failure to achieve results.
6. Involve organisations or causes in significant expenditure only after professional analysis indicates that such costs are valid investments for the agency.
7. Respect and safeguard the confidence proper to a professional relationship and not disclose information to a third party without consent.
8. Encourage and support education, training and development in the principles and practices of professional fundraising; foster the sharing of fundraising knowledge and skills; and cooperate with fellow practitioners in curbing and eliminating unethical or undesirable conduct within or impinging on the fundraising profession.
9. Encourage and work for the education of the community towards a greater understanding of, respect for, and confidence in the fundraising profession and its role in society.

MEMBERS WILL NOT

10. Undertake work which involves costs hidden from an organisation or cause. All projected and actual fees and campaign expenses must be disclosed.
11. Make payments in cash or kind to any employee, officer, trustee or adviser of any organisation as an inducement to engage the Member's services.
12. Profit directly or indirectly from undisclosed payments in cash or kind by suppliers of goods or services as an inducement to gain contracts with an organisation which the member serves.
13. Wittingly be party to the use for fundraising purposes of promotional or other material which:
 - Makes exaggerated, misleading or false claims or statements,
 - Denigrates the dignity of those the agency seeks to serve, or infringes their privacy, or,
 - Is likely to offend the agency's clients, donors, potential donors or the public at large.