



# SAT

Southern African AIDS Trust

## ETHICAL FUNDRAISING & FINANCIAL ACCOUNTABILITY CODE

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Supporting Community Responses to HIV and AIDS in Southern Africa

## A INTRODUCTION<sup>1</sup>

The following Motion and Code was adopted by SAT Board of Trustees on 20<sup>th</sup> May, 2004.

THAT SOUTHERN AFRICAN AIDS TRUST ADOPT THIS ETHICAL FUNDRAISING AND FINANCIAL ACCOUNTABILITY CODE AS ITS POLICY, AND, IN SO DOING, MEMBERS OF THE BOARD AND STAFF OF SAT COMMIT TO BEING RESPONSIBLE CUSTODIANS OF DONATED FUNDS, TO EXERCISE DUE CARE CONCERNING THE GOVERNANCE OF FUNDRAISING AND FINANCIAL REPORTING, AND TO ENSURE TO THE BEST OF THEIR ABILITY THAT THE ORGANISATION ADHERES TO THE PROVISIONS OF THE CODE. IT IS HEREBY CONFIRMED THAT EACH MEMBER OF THE BOARD AND ALL RELEVANT STAFF MEMBERS RESPONSIBLE FOR FUNDRAISING ACTIVITIES HAS RECEIVED A COPY OF THE ETHICAL FUNDRAISING AND FINANCIAL ACCOUNTABILITY CODE AND THAT A COPY WILL ALSO BE PROVIDED TO EACH PERSON WHO IS SUBSEQUENTLY ELECTED TO THE BOARD OR APPOINTED TO A STAFF POSITION RESPONSIBLE FOR FUNDRAISING ACTIVITIES.

## B DONORS' RIGHTS

1. All donors (individuals, corporations, and foundations) are entitled to receive an official receipt for the amount of the donation. Donors of non-monetary eligible gifts (or gifts-in-kind) are entitled to receive an official record of their donation. A minimum amount will be set for the automatic issuance of receipts and information detailed in B3 below.
2. All fundraising solicitations by or on behalf of SAT will disclose SAT's name and the purpose for which funds are requested. Printed solicitations (however transmitted) will also include its address or other contact information.
3. Donors and prospective donors are entitled to the following, promptly upon request:
  - ◆ SAT's most recent annual report and financial statements as approved by the Board
  - ◆ Details of SAT's registration as a Trust
  - ◆ A list of the names of the members of SAT's Board and Management Team
  - ◆ A copy of this Ethical Fundraising & Financial Accountability Code.
4. Donors and prospective donors are entitled to know, upon request, whether an individual soliciting funds on behalf of SAT is a volunteer, an employee, or a hired consultant.
5. Donors will be encouraged to seek independent advice if SAT has any reason to believe that a proposed gift might significantly affect the donor's financial position, taxable income, or relationship with other family members.
6. Donors' requests to remain anonymous will be respected.
7. The privacy of donors will be respected. Any donor records that are maintained by SAT will be kept confidential to the greatest extent possible. Donors have the right to see their own donor record, and to challenge its accuracy.

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<sup>1</sup> This Ethical Fundraising & Financial Accountability Code is based on the Code developed by the Canadian Centre for Philanthropy, in consultation with charity leaders throughout Canada. Its primary purpose is to assure donors of the integrity and accountability of charities that solicit and receive their financial support. Charities that adopt this Ethical Fundraising & Financial Accountability Code commit to fundraising practices that respect donors' rights to truthful information and to privacy. They also commit to manage responsibly the funds that donors entrust to them, and to report their financial affairs accurately and completely.

8. If SAT exchanges, rents, or otherwise shares its fundraising list with other organisations, a donor's request to be excluded from the list will be honoured.

9. Donors and prospective donors will be treated with respect. Every effort will be made to honour their requests to:

- ◆ Limit the frequency of solicitations
- ◆ Not be solicited by telephone or other technology
- ◆ Not receive printed material concerning SAT.

10. SAT will respond promptly to a complaint by a donor or prospective donor about any matter that is addressed in this Ethical Fundraising & Financial Accountability Code. The Deputy Executive Director will attempt to satisfy the complainant's concerns in the first instance. A complainant who remains dissatisfied will be informed that he/she may appeal in writing to SAT's Board of Trustees, and will be advised in writing of the disposition of the appeal.

## **C FUNDRAISING PRACTICES**

1. Fundraising solicitations on behalf of SAT will:

- ◆ Be truthful
- ◆ Accurately describe SAT's activities and the intended use of donated funds
- ◆ Respect the dignity and privacy of those who benefit from SAT's activities.

2. Volunteers, employees and consultants who solicit or receive funds on behalf of SAT shall:

- ◆ Adhere to the provisions of this Ethical Fundraising & Financial Accountability Code;
- ◆ Act with fairness, integrity, and in accordance with all applicable laws;
- ◆ Adhere to the provisions of applicable professional codes of ethics, standards of practice, etc.
- ◆ Cease solicitation of a prospective donor who identifies the solicitation as harassment or undue pressure;
- ◆ Disclose immediately to SAT any actual or apparent conflict of interest; and
- ◆ Not accept donations for purposes that are inconsistent with SAT's objects or mission.

3. Paid fundraisers, whether staff or consultants, will be compensated by a salary, retainer or fee, and will not be paid finders' fees, commissions or other payments based on either the number of gifts received or the value of funds raised. Compensation policies for fundraisers, including performance-based compensation practices (such as salary increases or bonuses) will be consistent with SAT's policies and practices that apply to non-fundraising personnel.

4. SAT will not sell its donor list. If applicable, any rental, exchange or other sharing of SAT's donor list will exclude the names of donors who have so requested (as provided in section A8, above). If a list of SAT's donors is exchanged, rented or otherwise shared with another organisation, such sharing will be for a specified period of time and a specified purpose.

5. SAT's Board of Trustees will be informed at least annually of the number, type and disposition of complaints received from donors or prospective donors about matters that are addressed in this Ethical Fundraising & Financial Accountability Code.

## **D FINANCIAL ACCOUNTABILITY**

1. SAT's financial affairs will be conducted in a responsible manner, consistent with the ethical obligations of stewardship and the legal requirements of provincial and federal regulators.

2. All donations will be used to support SAT's objects, as registered in the Trust deed.
3. All restricted or designated donations will be used for the purposes for which they are given. If necessary due to program or organisational changes, alternative uses will be discussed where possible with the donor or the donor's legal designate. If no agreement can be reached with the donor or his/her legal designate about alternative uses for a restricted or designated donation, SAT will return the unexpended portion of the donation. If the donor is deceased or legally incompetent and SAT is unable to contact a legal designate, the donation will be used in a manner that is as consistent as possible with the donor's original intent.
4. Annual financial reports will:
  - ◆ Be factual and accurate in all material respects
  - ◆ Disclose:
    - The total amount of fundraising revenues (receipted and non-receipted)
    - The total amount of fundraising expenses (including salaries and overhead costs), if any
    - The total amount of expenditures on activities.
  - ◆ Be prepared in accordance with generally accepted accounting principles and standards, in all material respects.
5. No more will be spent on administration and fundraising than is required to ensure effective management and resource development. In any event, SAT will meet or exceed a target of 70% for expenditures on programming activities (as opposed to administrative costs).
6. The cost-effectiveness of SAT's fundraising program will be reviewed regularly by the Board.