

EVENT FUNDRAISING

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The Institute of Fundraising's Codes of Fundraising Practice

Updated January 2007

The Institute of Fundraising's complete set of Codes of Fundraising Practice were restructured in June 2002 in order to highlight what is mandatory at law, what the Institute regards as a mandatory requirement for its members and what constitutes advice on best practice. In this Code a phrase where the word '**must**' is in bold indicates a requirement that is mandatory at law, '**ought**' indicates a requirement that is mandatory for both individual and organisational members of the Institute and '**should**' indicates a course of action that is recommended as best practice.

This Code of Fundraising Practice is intended to address fundraising activity throughout the UK. The Institute recognizes the separate jurisdictions of Scotland, Northern Ireland and England and Wales, and differences in the law have been highlighted where they occur. The Institute of Fundraising expects fundraisers to adhere to the most rigorous interpretation of the law applicable to an activity, whichever jurisdiction that activity derives from. Users should be aware that this Code states the law as it stood at January 2007 throughout the UK. Reviews of the law relating to fundraising and fundraising activities, governance and charitable status are ongoing in Scotland, England and Wales

This Code will be revised to take into account any developments or changes in the law that may result from these initiatives.

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1.0 Introduction

This Code is intended to provide guidance for organising a fundraising event in the UK. It sets out legal requirements, best practice guidelines and a checklist of issues to consider when planning and running an event. Legal requirements can vary between different jurisdictions (England & Wales; Northern Ireland; Scotland). In this Code, **'must'** indicates a legal requirement within one jurisdiction but not in others. The Institute recommends that organisations adhere to the most rigorous interpretation of the law applicable to an activity. Though the Code is intended to be comprehensive, fundraising events take many forms and as such the Code may not cover every aspect of a particular event. Event organisers **should** contact the Institute of Fundraising for further information if this is the case. The Code **should** be read in conjunction with the Codes of Fundraising Practice, 'Charity Challenge Events' and 'Outdoor Fundraising Events in the UK'.

1.1 Defining Event Fundraising

For the purposes of this Code, the following types of events are defined:

- In house events – organised completely by the beneficiary organisation(s). These may include events organised by the organisation's volunteers
- Subcontracted events – where voluntary sector organisations contract another organisation to conduct the event on behalf of the voluntary sector organisations. Such

organisations would normally be professional fundraisers or commercial participators (See Section 7.0 Key Legal, Tax and VAT Issues)

- Third party events – where a third party approaches a voluntary sector organisation to carry out an event in aid of the organisation. **Only Section 6.0 of this Code of Practice applies to the handling of third party events by voluntary sector organisations**
- 'Contractors' means any company or organisation that is supplying the event with products or services or organising the event on the beneficiary organisation's behalf.

1.2 Relation to Other Codes of Practice

The following Codes of Practice are particularly relevant to this Code and **should** be consulted:

- Charity Challenge Events
- Outdoor Fundraising Events in the UK
- Best Practice for Fundraising Contracts
- Fundraising in Schools
- Handling of Cash Donations
- Raffles and Lotteries
- Charities Working with Business
- Data Protection
- Volunteer Fundraising

2.0 Pre-event Planning

2.1 Initial Analysis

In the initial planning stages of the event, organisations **should**:

- Establish what the event objectives are and ensure that the event proposition fits within the organisation's charitable and strategic objectives
- Establish the nature of the target audience, the potential group size and what fundraising activities might be attractive to potential participants or guests in order to determine what type of event will most successfully meet the objectives
- Research event ideas with potential participants or guests

- Analyse potential benefits and returns, including likely Return On Investment (ROI) and break even points
- Establish a clear budget, ensuring that all potential costs are included (including hidden costs such as staff time)
- Consider the elements critical to the success of the event (for example, venue, celebrities, sponsorship) and how these will be secured
- Consider the potential risk to the organisation's reputation that may arise from being involved with particular events or associated companies
- Secure approval from senior management and trustees
- Avoid clashes with similar activities and dates and identify successful models. Consider running a pilot initially.

2.2 Venue

When identifying a suitable venue for the event, voluntary sector organisations:

- **Ought** to ensure the venue is of a suitable size and capacity, taking note of any restrictions
- **Must** consider issues of equal access for all, even if an event is being targeted at a specific group of people. Further information is available from the Disability Rights Commission
- **Must** ensure the venue complies with all health and safety regulations. Further information is available from the Health and Safety Executive
- **Ought to** consider the environmental impact the event will have on its surroundings
- **Should** assess what equipment, including catering requirements, will be needed at the event. Specialist equipment requires expert installation
- **Should** consider whether the provision of childcare facilities is necessary
- **Should** take into consideration access issues including vehicles, local transport and adequate parking
- **Should** consider availability of local emergency services and whether first aid provision is necessary.

2.3 Risk Assessment, Licenses and Consultation

- Risk assessments **ought** to be carried out on all elements of the event activities and venue. Links to access more information on risk assessments can be found in Section 8.2 Useful Resources.
- Organisations **ought** to ensure that appropriate insurance policies are in place. Specific cover may be required, for example, third party, weather protection, venue, public liability
- Organisations **ought** to carry out consultations with relevant bodies and organisations who have organised similar events and **must** ensure that the appropriate applications are made for licences from the local authority or other relevant bodies in order to formalise plans and to ensure all parties are in agreement before progressing. Consents **should** be obtained in writing and in advance. For example:
 - Organisation's legal department or legal advisors
 - Local authorities
 - Emergency services
 - Rights of way, private permissions, landowners.

2.4 Contracts

There **ought** to be a written and signed contract with the owner of any venue that is being hired, and any other contractors.

These contracts **ought** to set out:

- What services will be provided, if any
- Which organisation is responsible for particular services
- Which organisation will be responsible for obtaining relevant insurance and what the insured amounts will be
- Costs and VAT
- Timetable for deposits and when full payment must be made
- Cancellation rights and penalties
- Any indemnities given in relation to losses arising from breach of the parties' obligations
- Any limitations on the parties' liabilities.

In addition, so as to protect their reputation, organisations **ought** to ensure contractors:

- Have adequate insurance and **should** obtain copies of relevant documents
- Have relevant experience and capability (e.g. obtain references).

There **ought** to be a written contract with every sponsor. This need not be a complicated document and could be a letter of agreement. It **should** set out clearly what funding is being provided, when payment will be made and what the charity will provide in return. Usually the charity will display the sponsors' logos and there will often be strict branding requirements to follow for both parties. The contract may also specify other benefits such as a number of complimentary places or tickets. For further information, see the Codes of Fundraising Practice, 'Best Practice for Fundraising Contracts' and 'Charities working with Business'.

2.5 Involvement of Other Parties

Organisations **should** research the requirements of each group and the responsibilities of the organisation towards each group:

- Staff
- Volunteers
- Stewards
- Third party committees
- Guest speakers
- Celebrities
- Performers

- Sponsors
- First aiders
- Security
- Any other specialists (e.g. child carers).
- Attendees
- Participants.

Organisations **should** conduct appropriate checks, obtain agreements where appropriate and brief individuals and groups. See also the Code of Fundraising Practice, 'Volunteer Fundraising'.

2.6 Promotional Materials

- Organisations **should** decide on the appropriate promotional methods and media strategy (particularly for large scale events) in order to promote the event beforehand and follow up post event.
- Organisations **ought** to ensure that all marketing materials have accurate and clear details of the event and clearly state how the money raised from the event will be used.
- Organisations **must** ensure that materials adhere to copyright laws and that permission is obtained from the rights holders for use of images, logos, etc and are printed with all legally required information, for example, registered charity status or number, full company name and registered office and VAT number if applicable.
- Organisations **should** ensure that materials are suitable for their intended audience. Consider large-print format for the visually impaired.
- Organisations **should** include clauses to ensure that they have permission to obtain and use data to contact supporters in the future. See the Code of Fundraising Practice 'Data Protection' for more information.

2.7 Financial Procedures

Organisations **should** put in place appropriate financial procedures. These will depend on the nature of the event but may include:

- Recording income received and all expenses
- Monitoring income and expenditure against agreed budget
- Ensuring there are facilities and procedures for cash handling and storage on the day including a safe or suitable cash box
- Procedures should be drawn up and facilities available to handle debit or credit card payments – particularly access to chip and pin handsets

- See also the Code of Fundraising Practice 'The Handling of Cash donations'.
- When transporting monies after the event, organisations **should** use a night safe facility at a bank or a suitable safety deposit box. If money is to be carried by an individual, care **ought** to be taken with personal security. Individuals **ought** to always use a safe route and **should** always be accompanied and/or carry a personal alarm.

2.8 Cancellations and Contingency Plans

- Event participants and guests **should** be made aware of the procedure for cancellation at the point of signing up and of any financial penalties they may then incur.
- The organisation **ought** to put in place appropriate administrative and financial procedures in the case of cancellation of individual places or tickets, or in the case of having to cancel the whole event and **ought** to formulate a contingency plan to cover eventualities such as bad weather. All contracts with external contractors, suppliers and sponsors **ought** to include clauses relating to cancellations and contingency plans.
- If the event is cancelled, or if it is postponed and a participant is then unable or chooses not to take part, or if they are unable to take part for any reason, the participant **must** contact donors and ask if they are still happy for monies to go the organisation and if not the donation **must** be refunded to them.

2.9 Operational Communications Plan

Effective communications are essential for the smooth and successful running of an event. Organisations **should** consider and plan for:

- Communication with helpers and marshals before the event to let them know what is expected of them on the day
- Communications with participants or guests during the event, for example PA system, signage
- Operational communications during the event, for example with contractors
- Communication at the event with staff and other personnel involved, for example short wave radio, mobile phone
- Emergency communications, including drawing up a plan to be put into place in the event of an incident.

3.0 Administration of Participation Events

Where individuals are asked to participate actively in an event (e.g. a parachute jump as opposed to attending a dinner) then this Section will apply.

- If the event is participative (and particularly if participation is contingent on raising a certain amount of money), terms and conditions of participation **ought** to be clearly documented.
- In order to be legally binding, these **must** be provided to participants at or before the time when the contract is made with them and it **should** be made clear that these terms and conditions apply to the participants. In practice they **ought** to be brought to participants' attention when they express interest in the event. Note that some participants might be professional fundraisers (see the Code of Fundraising Practice, 'Charity Challenge Events').
- Organisations **should** put together an information pack for those who are taking part. If a level of fitness or training is required for safe participation this **ought** to be made clear, including if GP authorisation is required. If participants are expected to raise a large amount of sponsorship money, organisations **should** consider introducing a screening system when recruiting them (see the Code of Fundraising Practice, 'Outdoor Fundraising in the UK', Section 2.5).
- Organisations **should** put in place appropriate administrative procedures to ensure good communications with the public and participants on the day.
- Procedures and/or a policy for following up on non-payment and not reaching minimum sponsorship requirements **should** be in place.

4.0 On the Day

Organisations **should** as a final check:

- Ensure that fire exits are checked, cleared and appropriately lit
- Ensure all public areas are clean and clear
- Ensure that the appropriate level of first aid provision is available
- Ensure effective signage and directions are in place well in advance of the start time of the event
- Ensure effective communication systems are in place and working
- Ensure all required materials and documentation are available
- Make sure that any necessary equipment is present and working properly
- Ensure that all stewards and volunteers attend the on the day briefing
- Ensure all banking materials (float, cash box, receipt books) are stored safely and securely
- Provide name badges to identify key personnel and volunteers
- Ensure all branding is in place as agreed with any sponsor
- Ensure phone numbers of all key event contacts (band, entertainer, speakers) are stored safely and securely and emergency contact numbers are to hand.

Organisations ought to brief volunteers and staff verbally on the day of the event. This **should** include:

- Summary of key roles and areas of responsibility
- Identification of first aider and/or first aid box
- Any key issues arising from Risk Assessment
- Logistical information about the event – for example timings
- Full information about venue and facilities: food, toilets, parking, telephones and fire exits
- Alarm systems
- Key personnel to alert if issues arise
- Emergency communications plan

5.0 Post Event

In the planning of the event it is important to consider activities that may be required after the event has taken place.

5.1 Clearing of Site or Venue

It may not be possible to clear a site or venue completely on the day of the event itself. Event organisers **should** be clear what the terms of hire of their venue are and what access they will have to clear the site immediately after the event has taken place. Any items or structures not cleared on the day **should** be secured to prevent vandalism or theft.

5.2 Banking Monies

Monies **should** be counted, recorded and banked as soon as possible after the event. At least two people **should** be present when counting cash. Event organisers **should** ensure compliance with terms of insurance policies that cover monies in the case of the event of a theft. If it is not possible to bank monies immediately, arrangements **should** be made for monies to be kept in a secure place or preferably a safe. See also the Code of Fundraising Practice, 'The Handling of Cash Donations'.

5.3 Outstanding Monies

Recovery of any outstanding money from participants **should** be made as soon as possible after the event. If monies are not collected within the specified time frame, organisations **ought** to contact the participant and request money to be submitted. If payment is still not forthcoming, organisations **should** give consideration to the amount outstanding, the time and effort that may be required and the potential reputational risk to the charity when deciding upon a further course of action.

5.4 Distribution of Prizes

See the Code of Fundraising Practice, 'Raffles and Lotteries' for post-lottery procedures.

5.5 Thanking Those Involved

As soon as possible after the event those attending or donating to the event or acting as volunteers **ought to** be advised of the amount of money that has been raised and thanked for their support. If the event has been publicised by local or national media, the organisation **should** consider sending a press release for publication.

5.6 Event Review and Recommendations

The event objectives and targets **should** be reviewed and recommendations made for the future. Feedback from staff, volunteers and attendees can helpfully contribute.

6.0 Third Party Events and Identifying Ownership

- If an individual or group contacts the organisation in order to put on a third party event, there **ought** to be clear identification of the body responsible for the event and that the event is 'in aid of'. The individual or group is responsible for having its own insurance and for entering into all contracts.
- Organisations **ought** to consider the fit between the activity proposed and the organisation concerned and **ought** to agree with the volunteer fundraisers what support will be provided in light of this fit.
- The relationship between the organisation and any other person or body **should** be clear and documented in writing. Organisations **should** consider providing third party event organisers with a checklist of issues to consider.
- Organisations **should** encourage third parties to state that they are organising an event 'in aid of' an organisation if this is their relationship to the organisation, ensure the correct usage of the logo and that any branding guidelines are made clear and adhered to. See the Code of Fundraising Practice, 'Volunteer Fundraising'.
- Organisations **must** have written contracts with commercial participators and professional fundraisers and must ensure an appropriate statement is made. See Section 7.1 Legal Obligations.
- Organisations **should** ensure that there is proper arrangement for monies to be transferred to the organisation as soon as possible after 'in aid of' events.
- For further guidance organisations **ought** to see the Code of Fundraising Practice, 'Volunteer Fundraising.'

7.0 Key Legal, Tax and VAT Issues

Neither the following details of legal obligations and recommendations nor the tax and VAT recommendations can pretend to be exhaustive, particularly as events take many different forms, but they do cover the main points that most event fundraisers **must** consider. There is no substitute for taking competent legal and tax advice for particular events.

7.1 Legal Obligations

The following are legal requirements with which fundraisers must ensure compliance:

- **Advertisements:** Public advertisements for the event in England and Wales must not contravene the Town and Country Planning Act 1990, the Control of Advertisements Regulations 1992 issued under it or the Highways Act 1980. In Scotland, public advertisements **must** not contravene the Town and Country Planning (Scotland) Act 1997 and the Town and Country Planning (Control of Advertisements) (Scotland) Regulations 1994, as amended by Amendment Regulations 1992. There are also laws concerning the public display of advertisements generally and on the highway. Consent for billboard type advertisements **should** be obtained from the local planning authority, from where further information can also be obtained. See also the Highways Agency (www.highways.gov.uk). Making misleading statements in advertising can give rise to criminal offences as well as civil (i.e. non-criminal) liabilities, for example under the Trade Descriptions Act 1968, the Consumer Protection Act 1987, the Package Travel, Package Holidays and Package Tours Regulations 1992 and the Control of Misleading Advertisements Regulations 1988. The British Codes of Advertising and Sales Promotion require advertisements to be legal, decent, honest and truthful. Further information can be obtained from the Committee of Advertising Practice (www.cap.org.uk).
- **Aerial displays and balloons:** Aerial displays, some "unusual aerial events" (e.g. balloon releases) and the use of some captive balloons (over 7 metres in any clear dimension and not more than 20 cubic metres in total area) require consent from the Civil Aviation Authority (www.caa.co.uk).
- **Auctions:** A charity may sell goods that have been given to it specifically for the purpose of raising funds. This is not the exercise of a trade, and there is no need for it to be carried out by a subsidiary trading company. The sale of donated goods is within the scope of VAT, but is zero-rated if the goods are sold to raise money for charity and the donated

goods have not been substantially altered or improved (excluding cleaning or minor repairs) prior to sale. Most payments at charity auctions cannot be treated as donations for Gift Aid purposes, guidance on the instances when they can may be found on the HM Revenue and Customs website (http://www.hmrc.gov.uk/charities/chapter_3.html).

- **Children and vulnerable adults:** Event organisers **ought** to carry out a risk assessment to determine if a Criminal Records Bureau (CRB) check is warranted. If the event requires the organisation's employees, contractors or volunteers to have unsupervised (i.e. parents and/or carers do not attend) access to children and/or vulnerable adults organisations **should**, where appropriate, carry out background checks and obtain Disclosure at the appropriate level (Standard or Enhanced) from the Criminal Records Bureau (www.crb.gov.uk) before the event. These checks can take some time to obtain and this **should** be factored in to the planning timetable. Organisations **should** also consider best practice guidance on supervision ratios and obtaining consent from parents, guardians or carers to the participant taking part in the event. Although not written with fundraising events in mind, the Department of Education and Skills has issued detailed guidance for schools on the health and safety of pupils on educational visits (published online at www.teachernet.gov.uk).
- **Commercial participators and professional fundraisers:** If the event is being staged by a person who is a commercial participator or professional fundraiser as regards the charity (ie. an "in aid of" event – see the Code of Fundraising Practice, 'Volunteer Fundraising'), the charity and commercial participator **must*** have an agreement complying with section 59 of the Charities Act 1992 and the Charitable Institutions (Fund-Raising) Regulations 1994. Commercial participators and professional fundraisers **must*** make a statement complying with section 60 of the Charities Act 1992. In Scotland, similar provisions relating to agreements and statements are contained in sections 79 to 83 of Part II of the Charities and Trustee Investment (Scotland) Act 2005, due to come into force in 2006. The Act places on a statutory footing certain requirements of the Code of Fundraising Practice, 'Scottish Charity law in relation to Fundraising and Public Charitable Collections'. Further guidance is available in the Charity Commission publications CC20 (Charities and Fund-Raising) and RS2 (Charities and Commercial Partners) ([seewww.charitycommission.gov.uk](http://www.charitycommission.gov.uk)). See the Code of Fundraising Practice, 'Charities Working with Business' and the Code of Fundraising Practice, 'Best Practice for Fundraising Contracts' for further information on commercial participators and professional fundraisers.
- **Data protection:** Organisers **must** ensure compliance with data protection legislation. See the Code of Fundraising Practice, 'Data Protection'. Further information is available from the Information Commissioner (www.informationcommissioner.gov.uk).
- **Disability discrimination:** People with disabilities **must** not be unlawfully discriminated against in relation to the event. Further information is available from the Disability Rights Commission (www.drc-gb.org). Similar laws apply to discrimination on the grounds of sex and race and further information is available respectively from the Equal Opportunities Commission (www.eoc.org.uk) and the Commission for Racial Equality (www.cre.gov.uk).
- **First Aid:** Under the Health and Safety (First Aid) Regulations 1981 first aid **must** be provided to employees. Whilst these regulations only apply to the provision of first aid to employees, organisations **must** also make adequate first aid provision to other people involved in the event.
- **Food safety:** Any food being supplied **must** comply with the Food Safety Act 1990 and the Food Safety (General Food Hygiene) Regulations 1995 and other regulations applying to specific types of food. For further details contact the Environmental Health Department of the relevant local authority.
- **Fundraising material and restricted funds:** If fundraising literature states that funds raised will be used for a particular purpose then funds **must** be used for that purpose and must be identified in the charity's accounts as restricted funds. A failure of the purpose (eg. If insufficient funds are raised to fulfil the purpose of the appeal) would require the involvement of the Charity Commission or the Office of the Scottish Charity Regulator if appeal literature does not enable funds to be used for general purposes in such cases.
- **Health & Safety:** Under the Health and Safety at Work Act 1974 an organisation will be responsible for breaches of health and safety at any event it organises, for example failing to ensure that fire escapes are not blocked.
- **Licences (England and Wales):** In most case the premises on which the event will be held **must** have a current premises licence under the Licensing Act 2003. Under this act certain short-term, small-scale events may be held provided the organisers send a Temporary Event Notice to the local licensing authority and police ten working days in advance of the event. Licences cover the supply and sale of alcohol, the performance of various types of regulated entertainment (including live or recorded music), and the supply of hot food and drink late at night. Guidance is available from the Department of Culture, Media and Sport (www.culture.gov.uk).

- **Licences (Scotland):** If alcohol is to be served at the event, the premises **must** have a licence. Scottish law on licensing is in the process of being changed and organisations **ought** to contact the relevant local authority for further guidance.
- **Music:** Organisations **should** contact the Performing Right Society and/or Phonographic Performance Limited if live or recorded music is to be played, because a licence to play music may be required. These organisations distribute royalties to the various copyright owners. Further information can be obtained from the organisations (www.ppluk.com and www.prs.co.uk). Organisations may also need to obtain a public entertainment licence from the local authority.
- **Product safety:** Any products being sold at the event **must** comply with safety standards. There are numerous standards for different types of products, including electrical products, toys and upholstered furniture, for example. For further details contact the relevant local authority Trading Standards or Consumer Safety Departments.
- **Raffles and lotteries:** If a lottery (which includes a raffle) is to be held at the event, there **must** be compliance with the Lotteries and Amusements Act 1976. Note that this Act will be replaced entirely by the Gambling Act 2005. This will happen in stages with completion expected by September 2007. For further information contact the Gambling Commission. See also the Code of Fundraising Practice, 'Raffles and Lotteries'.
- **Registered charity status:** If the charity is a registered charity, that fact **must** be stated on all documents soliciting funds for the charity.
- **Public collections:** If donations will be collected at or in the near vicinity of an event, organisations **must** check whether any of the legislation concerning public collections applies. In particular, organisations **ought** to always check the licensing requirements with the relevant local authority(ies) beforehand.

8.0 Appendices

8.1 Working Party

- Amy Blake, Capability Scotland, Head of Fundraising
- Tamsin Davies, RNLI, Regional Events Manager – Wales and West Mercia
- Jenny Edwards, Head of Events, Macmillan Cancer Relief, Chair
- Philip Kirkpatrick, Solicitor, Bates Wells and Braithwaite
- Adrian Pashley, Solicitor, Bates Wells and Braithwaite
- Chris Priestley, Principal, Withers
- Judith Rich, Institute of Fundraising Standards Committee
- Ellie Sleeman, Head of Events and Individual Giving, Breast Cancer Care
- Laura Thomas, Policy and Standards Officer, Institute of Fundraising

8.2 Useful Resources

- Charity Commission (www.charity-commission.gov.uk)
- Commission for Racial Equality (www.cre.gov.uk)
- Criminal Records Bureau (www.crb.gov.uk)
- Department of Culture, Media and Sport (www.culture.gov.uk)
- Disability Rights Commission (www.drc-gb.org)
- Equal Opportunities Commission (www.eoc.org.uk)
- Gambling Commission (www.gamblingcommission.gov.uk)
- Health and Safety Executive (www.hse.gov.uk) and The Event Safety Guide
- HM Revenue & Customs (www.hmrc.gov.uk)
- Information Commissioner's Office (www.informationcommissioner.gov.uk)
- Office of the Scottish Charity Regulator (www.oscr.org.uk)
- Risk Assessments: Click here or go to http://www.nelincs.gov.uk/community/events/Public_Events_-_Risk_Assessment_Guidance_Notes.htm to access more information on risk assessments.