

Fundraising Institute of New Zealand Codes of Ethics and Professional Conduct – *for AGM endorsement*

1. Introduction

The Fundraising Institute of New Zealand has Codes of Ethics and Professional Conduct which outline the attitudes and behaviours expected in the processes of raising and utilising funds for community and charitable purposes.

The Institute works to develop greater understanding of what constitutes ethical fundraising and compliance with its Codes through:

- educating and training community and charitable organisations, fundraising practitioners and funders on best current fundraising practice
- espousing standards of practice that will enhance the integrity and professionalism of fundraising
- advocating and promoting the value of philanthropy to communities and society generally and the benefits to government and to those who fund causes and programmes.

All Members of the Fundraising Institute of New Zealand are bound by these Codes of Ethics and Professional Conduct.

For clarification, categories of membership to which these codes apply include Individual, Fellow, Organisation and Supplier.

A complaint against a Member in relation to an alleged Code infringement can be lodged through the Institute's formal complaints process. Formal complaints are considered by the Institute's Ethics Committee, as defined in the Institute's Constitutional Rules and published on its web-site.

The participating parties to fundraising engagements can be considered stakeholders.

While the Institute can only hold Members accountable, it expects all stakeholders to abide by the ethical principles outlined below, and will support Members' efforts to promote and encourage engagement in line with these principles.

The Institute advocates for relationship balance between stakeholders participating in fundraising:

- **Donors.** People or entities providing funds by way of gifts, grants or other contributions for use by community and/or charitable organisations
- **Stewards.** Community and charitable organisations who are charged with complying with the terms specified for receiving and utilising funds; and expending and accounting for those funds
- **Fundraisers.** Those involved in seeking funds through gifts, grants or other appropriate mechanisms

2. Definitions

For the sake of clarity, the following definitions apply. Where the singular form is used it will also apply to the plural.

- Appeal Officer** means a person appointed by the Institute Board to conduct an appeal arising out of a decision made by the Ethics Committee in response to a complaint investigated under the Institute Complaints process.
- Beneficiary** means any person or entity benefitting from a community or charitable organisation in pursuit of that organisation's objects
- Case** means a formal outline such as a printed document of the purpose for which funds are to be raised
- Child** means a person under the age of 18 years
- Company** means an entity incorporated under the Companies Act 1993 and/or established for the purpose of generating profit for pecuniary gain
- Complaint** means a notice in writing in prescribed form sent by any person to the Institute concerning an alleged breach of any part of the principles or codes, outlined in this document
- Director** means a person who is appointed as a Director, Officer, Trustee or Board or Committee member of an organisation or company.
- Donation** means a voluntary contribution (a gift) of money, property or goods or services to a community or charitable organisation for the purpose of furthering that organisation's objects (it does not include a transactional contribution, ie an agreement which stipulates something in return eg sponsorship, a business partnership)
- Donor** means a person or other entity that makes a voluntary contribution of value to an organisation to further the organisation's objects. A donor includes an individual or entity that has previously made a donation. (A donor does not include a transactional contribution, ie an agreement which stipulates something in return eg sponsorship, a business partnership)
- Ethics Committee** means a committee constitutionally established by the Institute Board to investigate and make determinations on complaints received by the Institute.
- Institute** means the Fundraising Institute of New Zealand
- Member** means a member of the Fundraising Institute of New Zealand
- Fundraiser** means a fundraising practitioner, company or organisation, tasked with carrying out activities, whether for remuneration or voluntarily, for the purpose of raising funds to benefit a community or charitable organisation for application in pursuit of the organisation's objects

- Fundraising** the act of raising funds through donations or other fundraising-related activities on behalf of a community or charitable organisation
- Objects** means the way in which an organisation's constitutional documents define its purpose which determines the purpose for raising revenue
- Organisation** means an entity, established for a purpose other than profit and/or to benefit communities, incorporated under legislation including, but not limited to, the Incorporated Societies Act 1908 or the Charitable Trusts Act 1957
- Professional misconduct** means behaviour, whether or not committed intentionally, that is a violation or breach of the Ethical Principles, Code of Ethics and/or Code of Professional Conduct as described in this document that has serious adverse consequences to a complainant, an organisation engaging in fundraising or the Fundraising Institute of New Zealand.
- Promotional material** means any material in connection with an appeal for donations, fundraising activity or other organisational communication, whether in printed, electronic or verbal form made available to any person seeking their support.
- Specified purpose** means the instructions given by a donor or funder that their funds be used for a specified purpose; this may also include holding the funds in trust until that purpose can be met.
- Sponsor** means a third party which sponsors a fundraising activity, a specified programme or activity, or an organisation that undertakes fundraising activity for an agreed outcome in return for defined support given in cash or kind.
- Supplier** means a third party supplying goods or services for payment to an organisation engaged by a community or charitable organisation in order to meet fundraising purposes
- Tax** means all taxes payable in connection with a fundraising activity, including without limitation income tax, pay as you earn (PAYE) and goods and services tax (GST)
- Trademark** means a word, group of words, logo, image, colour, scent or shape (whether registered or unregistered) used by an organisation to define its unique characteristics.
- Unsatisfactory conduct** means conduct that is neglectful of the Ethical Principles, Code of Ethics and/or Code of Professional Conduct as described in this document that has adverse consequences to a complainant, an organisation engaging in fundraising or the Fundraising Institute of New Zealand that is below the threshold of Professional Misconduct
- Volunteer** means a person who performs a service for an organisation without expecting or receiving compensation for performing that service.

3. Code of Ethics

Ethical Principles

The Fundraising Institute of New Zealand complies with the [International Statement of Ethical Principles in Fundraising](#). This statement sets out the values, beliefs and principles espoused by National Fundraising Associations around the world including the Fundraising Institute of New Zealand and was adopted at the International Fundraising Summit in London on 5 July 2018. This statement does not replace or override any law.

The Fundraising Institute of New Zealand's Codes are enshrined within a set of ethical principles, applicable to all Members. Everyone involved in the process of fundraising has a role to play towards upholding these principles. Where the ethical principles are adhered to, confidence and willingness to engage and contribute will be enhanced; where this is not the case, confidence and willingness to engage and contribute can be expected to be negatively impacted, affecting not only the donor, fundraising practitioner or recipient organisation but also philanthropy as a whole.

The values to which all fundraising practice should adhere are

- | | |
|---------------------|--|
| Honesty | Acting honestly and truthfully so that public trust is protected, relationships are maintained and mutual understanding of expectations are enhanced |
| Respect | Acting with respect for the dignity of fundraising practitioners, the organisations for which the monies are being raised, the beneficiaries of those organisations and towards all donors and funders |
| Integrity | Acting openly and with regard to responsibility for public trust, organisational mana and fundraising professional endeavour, including disclosing actual or potential conflicts of interest and avoiding any appearance of ethical, personal or professional misconduct |
| Empathy | Working in ways that promote the intended purpose of all interactions and encouraging others to value individual privacy, freedom of choice, and diversity in all its forms. |
| Transparency | Committing to always being transparent about work undertaken, the reasons funds are being sought, and the way funds will be managed and disbursed including through accurate and clear disclosure of fundraising costs and expenses. |

Defining ethical behaviours

a. Seeking support for a fundraising appeal, activity or event.

It is ethical to ask a person, organisation or company to contribute funds or support towards a charitable or community cause taking into account the donor's preferences as to the level, frequency and timing of a contribution.

It is ethical to ask someone to increase the value and/or frequency of their giving over time or in relation to a special event or circumstance where the request deviates from a normal request for support.

It is not ethical to ask – or continue to ask - a person, organisation or company to contribute funds or support if they have specifically indicated that they do not wish to be asked.

b. Legitimate reasons for seeking funding

It is ethical for someone in a fundraising role, or the organisation they represent, to seek funding for reasons that are demonstrable and within the capability of the organisation to apply and expend within a reasonable timeframe. That includes requests for contributions towards potential future expenditure, providing the fundraising practitioner or organisation is clear and transparent as to the basis for the funding request.

It is not ethical for organisations to seek funding where there is no demonstrable need for such funds, or there is no intention to release the funds for the purpose for which they were raised. Such behaviour not only harms those involved but also damages public confidence and brings fundraising activity into disrepute.

c. Seeking funding support for future programmes

It is ethical to seek funding support for both current or potential need in whatever way represents the true nature of that need.

It is not ethical for a fundraising practitioner or organisation to misrepresent their case by portraying current or potential need in excess of reality, since had the reality been known, the donor may have declined their support.

d. Accepting funding support

It is ethical for any individual, organisation or company to offer funding support where the terms and conditions for providing such support are legitimate, ethical and aligned with need.

It is not ethical if the offer amounts to coercion or imposes unacceptable conditions on the fundraising practitioner or recipient organisation.

e. Upholding dignity

It is ethical for fundraising practitioners and the organisations they represent, with explicit permission, to portray real people or situations providing they do so in ways that maintain the dignity of the people they represent.

It is not ethical to misrepresent people or situations where people's dignity or the reality of situations are artificially magnified for the purpose of raising funds and garnering support.

f. Organisational sustainability and funds management

It is ethical for organisations to retain funds to ensure the ongoing operating viability of the organisation providing that such retained funds are managed in ways consistent with the organisation's objects.

It is ethical for organisations to retain funds from fundraising sources where the organisation has been instructed to do so in order to meet a specified purpose. That includes the retention of funds where it is specified that the capital be retained for a specified period of time or indefinitely.

It is not ethical for organisations to raise funds for the over-riding purpose of the retention of funds without clarity as to how such funds will be expended, unless there are mitigating circumstances which can be demonstrated.

g. Operating within the bounds of competence

It is ethical for fundraising practitioners and the organisations they serve to seek and receive funding support where they are confident they possess the necessary competence and capability to develop or deliver the services proposed.

It is not ethical for fundraising practitioners or the organisations they serve, to make promises to donors and contributors that cannot be delivered on.

j. Managing conflicts of interest

It is ethical for conflicts of interest to be managed providing they are declared and a specified process for managing the conflict, including and up to disengagement is defined.

It is not ethical for conflicts of interest to arise that are neither declared by any party nor managed in a defined way.

k. Acceptance of diversity

It is ethical and encouraged that all Members embrace diversity in all its forms including giving voice and meaning to Te Tiriti o Waitangi.

It is unethical for any form of discrimination to be allowed to enter into any discussions or arrangements between a fundraising practitioner, recipient community or charitable organisation or donor or contributor in respect of either process or outcome.

4. Code of Professional Conduct

The Code of Professional Conduct outlines the behaviours the Institute expects all Members to adhere to. Categories of membership include Member, Fellow, Organisation and Supplier.

- 4.1 A Member must not engage in activities that may harm an organisation, a donor, a beneficiary, any member of the public or the reputation of fundraising in general or the Fundraising Institute of New Zealand in particular.
- 4.2 If a Member becomes aware of activity that constitutes an actual or perceived breach of 4.1, that Member is obliged to report it to the Chief Executive of the Fundraising Institute of New Zealand so that it can be dealt with under the Institute's complaints process.
- 4.3 Where a Member becomes aware that activity by an organisation may breach these codes, there is an obligation to bring it to the attention of the organisation to facilitate correction. Failure for corrective action to be taken invokes an obligation on the Member to comply with 4.2.
- 4.4 Members must individually recognise their bounds of competence and accurately represent their experience, expertise and qualifications.
- 4.5 A Member must not engage in any activities which conflict with their fiduciary, ethical and legal obligations, including activities that are not of a fundraising, or commercial nature, which may reflect badly on the practice of fundraising in general or the Fundraising Institute of New Zealand specifically.
- 4.6 Members shall only direct, manage or participate in fundraising practices, events or activities for causes that are consistent with charitable purposes specified in section 5 (1) of the Charities Act 2005, or for any other matter of public benefit
- 4.7 Except where provided for under law, Members shall:
 - a. not undertake or be involved in any way in fundraising activity where a Member or their staff's earnings are partially or wholly based on a specified percentage of donated funds raised.
 - b. not engage or remunerate any third party to solicit donations on such a basis
 - c. use their best endeavours to dissuade any employing organisation or company from remunerating employed staff or third parties on such a basis.
- 4.8 Notwithstanding 4.7, a Member who is an individual Member and/or an employee of an Organisation or Supplier Member can receive a performance bonus where such practice applies as an Organisation/Company policy, provided that such performance bonus is not calculated directly as a percentage of total donated monies raised.
- 4.9 Members shall not recklessly or maliciously injure the reputation or practice of other Members or any other profession
- 4.10 Members shall at all times act honestly and in such a manner that donors are not misled.

- 4.11 Members shall not knowingly or recklessly disseminate false or misleading information.
- 4.12 Where applicable, Members will state their charges and terms of engagement without ambiguity before commencing any assignment or engagement.
- 4.13 Members shall not undertake fundraising activities for parties with conflicting or competing interests, without the express knowledge of the parties involved
- 4.14 Members shall not disclose (except as may be required by statute or law) or make use of information given or obtained in confidence from their employer or organisation, suppliers or donors and funders without express prior consent.
- 4.15 Before undertaking a fundraising event, project or role, a Member must not:
- a. guarantee fundraising results or make such promises, including offering compensation for failure to achieve fundraising results
 - b. misrepresent past fundraising achievements
 - c. fail to disclose any direct or indirect costs of fundraising of which the Member is aware.
- 4.16 Members shall not change the conditions of any donation received without first consulting on any proposed change with the donor or donor representative
- 4.17 Members shall only commit or be committed to fundraising activity or expenditure with agreement between relevant parties.
- 4.18 Members must:
- a. disclose and account for all donations, grants or other fundraising-related revenue received which are under their control
 - b. disclose fundraising costs for any fundraising undertaking as accurately as possible where it is reasonable for such costs to be known or predicted
- 4.19 Members must not accept payment that constitutes pecuniary gain for any individual in cash or kind in recompense for either business placed with a supplier or for funds received
- 4.20 Members shall not make payment in cash or kind to any individual, organisation or company for using influence to retain the services of another Member or fundraising practitioner, except where a third party has been engaged professionally, providing the terms are that third party's standards terms of engagement.
- 4.21 Members must not threaten the dignity or privacy of a beneficiary of an organisation. For the purposes of this section, this includes but is not limited to
- a. passing a comment unnecessarily or negatively on impairment, dependency or disability of a beneficiary or infringing any other discriminatory criteria as defined in the Human Rights Act 1993 or its amendments

- b. using language that suggests an individual or organisation is to be pitied or feared
- c. using children in promotional materials to raise funds for adult services, giving the impression that beneficiaries are child-like
- d. stating or implying falsehoods about recipient organisations or beneficiaries of those organisations
- e. depicting a beneficiary's image or identity without that beneficiary's written permission where such permission can reasonably be expected to be obtained)

4.22 Notwithstanding Section 4.20e, a Member may use a term in relation to a beneficiary where that term

- a. is technically correct
- b. is used only for the purpose of describing an attribute pertinent to the circumstances in which the term is being used
- c. does not identify an individual without their express and written approval.

4.23 A Member must not disclose:

- a. confidential information in relation to any individual unless it is relevant and permissible under the Privacy Act 2020 or any subsequent amendments
- b. the identity of a donor or funder publicly unless they have expressly provided permission.
- c. any information regarding an individual without their express and written permission
- d. confidential information relating to an organisation.

4.24 Wherever identification of an organisation engaged in fundraising activity is required, the following relevant details must be provided:

- The organisation name (as in its trading name or where appropriate its full registered name)
- The organisation's Charities or Company register number.
- GST registration number
- Full business address
- Logo (if any)

4.25 Members must ensure that any promotional material used as part of fundraising activity:

- a. be factually correct and not likely to deceive or mislead

- b. presents the organisation described in 4.24 in ways that correctly identify that entity or the part of that entity where funds raised will be utilised or spent
- c. complies with The Fair Trading Act 1986, in particular those parts that relate to misleading and deceptive conduct and false and misleading representations
- d. is approved by the organisation.

4.26 Where fundraising costs are disclosed in promotional material those costs must be factually correct.

4.27 Promotional materials must not include derogatory images of a person, group of people or any organisation; derogatory images may include, but are not limited to, images which are discriminatory, pornographic or violent

4.28 Unsolicited information should not be sent knowingly, to children or people who are vulnerable

4.29 A Member must not engage in an activity that does not comply with relevant legislation.