

Self-regulated Fundraising and the new Standards Board

Andrew de Mille comments on a quiet revolution in the fundraising world

The brave new world of self-regulated fundraising is with us... almost. The Charities Act received Royal Assent on 8th November 2006. Its Clause 69 sets out the framework for the regulation of the fundraising activities of registered charities. In anticipation of this, the Fundraising Standards Board was formed earlier this year, following a period of wide consultation.

WHAT IS THE FSB?

The Fundraising Standards Board has been formed to develop and eventually adjudicate on the regulation scheme for charitable fundraising activity in England, Wales and Northern Ireland. Separate but similar arrangements for Scotland are being formulated. The FSB's strap line, "Give with Confidence", emanates from its prime objective to raise standards and protect the public from inappropriate or dishonest fundraising activity.

HOW WILL REGULATION WORK?

This is a self-regulation scheme – only those charities and suppliers which sign up as members of the scheme will be able to show the FSB kitemark. The hope is that eventually an educated public will see the difference – like buying travel tickets from an IATA registered agent. But it will only work if a significant number of charities and suppliers sign up to it. At present fewer than 200 charities have joined – out of 45,000. The FSB will be launched officially in the Spring of 2007 when serious recruitment will begin.

SETTING AND UPHOLDING STANDARDS

The FSB has adopted existing Institute of Fundraising Codes of Practice as a benchmark of standards. It has also recently launched the "Fundraising Promise" – setting out member charities' commitment to donors. Its next task is to establish and publicise a procedure for complaints against members of the scheme who have not met the prescribed standards. First-stage complaints will be referred to the charity concerned; second-stage complaints will be taken up by the FSB with the charity; third-stage complaints will involve the FSB in seeking changes and improvements in the charity's practice, with the ultimate sanction of expulsion from the scheme.



The motivation behind the scheme starts with the premise that there is already enough dissatisfaction with the marketing techniques used by many charities for it to be clear that the continuing goodwill of donors cannot be relied upon in

the long term. The public needs to be educated to understand the economic realities of the charity world – especially the need for charities to invest in fundraising. The FSB will aim to inform the public so as to develop more realistic expectations; it will also draw attention to the codes of practice, standards and complaints procedures.

HOW MUCH WILL IT COST?

The FSB will employ a small number of staff. Its costs are currently met by central government but it must be self funding within five years. Charities will pay according to their charitable income – starting at £30 for those with less than £10,000 a year, rising in increments to a maximum of £1,800 a year for those with incomes of more than £50 million a year. Suppliers pay from £200 a year for sole traders, up to £1,200 for suppliers with fundraising fee turnover at more than £1 million.

THE STING IN THE TAIL

If the scheme is not well enough subscribed to be self funding within five years, the Charities Act allows Ministers to intervene with a government-led regulation scheme. Who knows how much of a meal they could make of that! Charities are urged to sign up now.

USEFUL WEB LINKS

For the Charities Act and explanatory notes, see www.charity-commission.gov.uk/spr/charbillprog1.asp
For the FSB, see www.fsboard.org.uk



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