

## DONATIONS, FUNDRAISING AND REFUNDS POLICY

ORGANISATION:	Kokoda Track Foundation
ACN:	103 660 948
POLICY TITLE:	Donations, Fundraising and Refunds
VERSION:	5.0
STATUS:	Final
ALLIED POLICIES / PROCEDURES:	Code of Conduct Financial Controls Policy Financial Risk Management Policy Conflict of Interest Policy Fraud and Corruption Prevention Policy Ethical Life Stories Policy Communications & Media Policy
OWNER:	Senior Management
APPROVED BY:	CEO
LAST UPDATE:	08.07.2024
NEXT REVIEW DATE:	08.07.2026



### PURPOSE:

Kokoda Track Foundation (KTF) is a not-for-profit philanthropic organization that provides aid and development assistance through its projects to communities in PNG. Donations and other fundraising activities play a vital part of KTF's organisational goals and mission. KTF acknowledges the contribution made by individuals, groups, organisations, official bodies and partners in funding and supporting its aid and development programs.

This policy outlines KTF's policy and procedures for the effective and ethical acceptance, management and refusal of donations and the conduct of fundraising activities. This policy applies to all donations, bequests and fundraising activities and to anyone who is involved in the raising and collection of funds and management of funds donated for KTF purposes.

KTF's Policy is also compliant with the Australian Council for International Development's Fundraising Charter in that processes and procedures are in place to ensure that:

- Decisions to accept or reject donations support the purpose of KTF;
- Legislative requirements for fundraising are met;
- The privacy of donors, consistent with the Privacy Act, are met; and
- Free, prior and informed consent is obtained for all images and stories.

### POLICY:

KTF is committed to undertaking the following:

- a. Transparent and ethical processes are in place for the acceptance, management and refusal of donations and fundraising activities;
- b. Protecting the confidentiality of donors and sponsors consistency with their wishes and to the extent provided by law;
- c. Adequately identifying funds and using them for the purpose which they were provided;
- d. Compliance with all relevant legislation governing fundraising; and
- e. Utilisation of a strategic, uniform and coordinated approach for the seeking and acceptance of donations.

All donations in cash or kind are made to KTF with the intention of supporting KTF's purpose and development projects.

No KTF board members, staff, volunteers or other representatives may make formal approaches for fundraising purposes

unless coordinated with, and approved by, senior management, including appeals, events, and private requests.

KTF only accepts donations where they are ethical in nature and they are consistent with the organisation's statement of purpose and strategic goals. KTF reserves the right to refuse an offered donation.

Staff must seek advice from senior management with regard to the potential impact on KTF prior to accepting any financial or in-kind donations.

No person representing KTF is to engage in speculation about the taxation implications or legal status of donation with respect to the potential impact of the donor. KTF representatives may state only that donations to KTF of \$2 or more are tax deductible in Australia by quoting our ABN. Donors should seek their own independent advice about these matters.

All fundraising materials will be truthful and:

- Include the KTF's identity including name, address, ABN and purpose;
- Accurately represent the context, situation, proposed solutions and intended meaning of information provided by affected people;
- Clearly state if there is a specific purpose of each donation;
- Avoid material omissions, exaggerations, misleading visual portrayals and overstating the need or what the donor's response may achieve.

Images and stories used for fundraising must be done so in accordance with KTF's Ethical Life Stories Policy and Communications & Media Policy which ensure the truthful portrayal of the context in which they come from and protection of the people they are portraying. KTF is committed to portraying the people that it works with in PNG in a way that respects their dignity, values, history, religion, language and culture and protects their safety and rights. Further, the collection of information, images and stories will not harm people or the environment.

#### PROCEDURES:

##### SOLICITATION OF DONATIONS

Solicitation of donations may be undertaken through various approved methods including, but not limited to, direct mail, social media channels, KTF's website, online fundraising platforms, events, appeals, proposals or face-to-face invitations. Approval to solicit donations must be obtained from KTF's senior management and be within the parameters as set by the fundraising plan.

Staff, board directors, volunteers, and other partners wishing to undertake the soliciting of donations or fundraising activities for KTF must seek approval by contacting senior management. Requests should outline whom they will be approaching and the methods they intend to use.

KTF will comply with donor requests to limit the number, type or frequency of solicitations, refusal to make a donation, or request to no longer receive solicitations.

##### ACCEPTANCE OF DONATIONS

KTF accepts donations via a variety of methods including: cash, cheque, credit cards, direct deposit, money order, resources and other approved forms of in-kind donations. KTF will process donations in a timely manner, in accordance with relevant legislation, and will issue a receipt upon acceptance of a donation.

Certain fundraising activities are not regarded as philanthropic, and do not generate donations. Such activities include the

sale of raffle tickets or attendance at a fundraising event. However, the donor may require specific acknowledgement of their support. Staff should liaise with senior management in every instance to ensure consistency in acknowledging donors.

Donors are encouraged to provide written advice to KTF with details of their donation, including the identifying amount, purpose, and if appropriate, pledge period.

No staff or volunteers engaged in activities resulting in or relating to receipting of donations (e.g. fundraising, donor liaison) on behalf of KTF will grant or accept favours for personal gain and will avoid any real or perceived conflicts of interest (see KTF's Conflict of Interest Policy).

#### REFUSAL OF DONATIONS

KTF reserves the right to refuse donations if the donation is unethical or not in line with KTF's purpose statement and values.

KTF will not accept a donation when:

- a) KTF has reasonable belief that the donor is in vulnerable circumstances or lacks capacity to make a decision to donate; or
- b) To do so would compromise the interests or objects of KTF, including its purpose and strategic goals.

KTF may choose not to accept a donation when:

- a) There are real or apparent conflicts of interest between the activities of the donor and the purpose and strategic goals of KTF. Examples include (but are not limited to): companies or individuals involved in labour exploitation, tobacco, weapons, gambling, pornography, exploitative credit and engagement in conflict financing. KTF will also consider also consider a company's track record of environmental sustainability and impact when deciding on acceptance.
- b) They impose or imply conditions that would limit, or appear to limit, KTF's ability to carry out its mission fully and impartially.
- c) They have the potential to adversely affect KTF's reputation or result in an adverse reaction from existing or potential supporters.
- d) The cost of accepting the donation would be greater than the value of the donation.
- e) There is reason to believe that accepting the donation may give rise to litigation.
- f) Donations are known to be the proceeds of criminal activity or obtained by illegal means.
- g) Donations are indirectly given and routed through an unauthorised third party by an individual or organisation restricted by this policy.

Decisions will be made in line with the above guidelines. The personal interests of KTF staff should not affect the decision to accept or reject a donation.

Where an offer of a donation is not accepted, senior management will determine the appropriate way to convey to the donor KTF's decision to the prospective donor.

#### RECORDING AND MANAGING DONATIONS

KTF will receive, bank and process all donations in a timely manner. Any copies of documentation such as letters, cards, notes and agreements should be filed appropriately.

KTF is responsible for ensuring that all monetary funds received by donors are deposited into the correct bank account.

KTF must ensure that the funds are:

- a. Deposited within 72 hours of receipt into KTF's account
- b. The donor is issued with an official receipt for tax purposes; and
- c. An appropriate acknowledgement and letter of thanks is sent to the donor.

KTF will maintain a secure fundraising database that will record sufficient information to manage the donation with regards to the donor's intent. Each record may contain:

- a. The name and contact details of the donor or their legal representative;
- b. The type of donation (cash, in-kind, bequest, etc);
- c. A description of the donation (cheque, money order, pledge, in-kind services);
- d. The value of the donation, including pledge period, if appropriate;
- e. The conditions of the donation (if applicable) including whether the donation is to be endowed and the terms of the endowment;
- f. The purpose to which the donation is to be used (e.g. education projects);
- g. The receipt details (including receipt number and date);
- h. The recognition provided to the donor by KTF (as appropriate);
- i. The history of contact with KTF; and
- j. Who was responsible for soliciting the donation and who is responsible for nurturing the donor relationship.

In the case of donations made in-kind the amount of the donation recorded will be that amount stipulated through independent valuation and verified at KTF's annual audit.

Tied donations will be managed separately and in accordance with the donor's intent. Wherever possible, KTF will use the donation in accordance with the original specified purpose and conditions. Where this is not possible, KTF will contact the donor, or their representative, to discuss alternative acceptable purposes, or a refund.

KTF will inform the donor (or their legal representative) of the use to which donations have been disbursed, the amount of the disbursement, and if appropriate, the recipient.

KTF will prepare timely acquittal reports in line with the original agreement with the donor (if any).

Donors may request from KTF copies of the Annual Report, which includes KTF's audited financial statements.

#### PRIVACY

KTF is bound by the NSW Privacy and Personal Information Protection Act. Information gathered by KTF about its donors in the normal course of receiving donations is also subjected to KTF's Privacy Policy.

All information pertaining to a donation is confidential and as such is to be protected from inappropriate distribution and/or publication. Distribution and publication of such information will be consistent with the donor's wishes and to the extent provided by law.

#### FUNDRAISING ACTIVITIES:

Fundraising activities must be free from unethical practices and consistent with the mission, goals, ethical framework, and policies of the KTF.

KTF must always adhere to all legislative requirements in the Charitable Fundraising Act 1991. KTF must also hold all

relevant authorities to fundraise. KTF must also be aware of and comply with the Fundraising Institute of Australia's Code of Ethics and Professional Conduct and their standards for all fundraising undertaken.

Only authorised representatives of KTF may conduct fundraising activities. Parties wishing to raise money on behalf of KTF must contact KTF prior to commencing these activities to complete an endorsement process in line with the Fundraising Act 1991.

All materials used in advertising and approved fundraising activity must state the intended use for any money raised.

Fundraising materials and solicitations must accurately identify the KTF's name, address, ABN and purposes.

Fundraising solicitations must be truthful and avoid misleading visual portrayals and overstating either the need or what a donor's contribution may achieve.

Fundraising solicitations will clearly state if there is a specific purpose for the donations.

It is the responsibility of KTF to coordinate and manage its fundraising programs.

#### **TAXATION:**

There are differing taxation provisions and requirements applicable to various types of donations (whether the donation is in cash or kind). These may impact on the donor and/or KTF.

Donors are encouraged to seek independent professional advice about the taxation status and any other business or legal implications associated with their donations.

For taxation purposes, an independent valuation of the goods or services is required where a donation is made in-kind. The donor is responsible for arranging and paying costs associated with the valuation of the goods.

KTF is a Deductible Gift Recipient (overseas aid fund) and donations of \$2 or more are tax deductible in Australia.

#### **DONOR MANAGEMENT AND RECOGNITION:**

KTF will manage its relationships with its donors and prospects in a coherent and collaborative fashion. Donors or prospects may have multiple affiliations and interactions with different staff members and board members. KTF staff and board members should be aware of these relationships and seek to acknowledge them during their interactions with donors.

A decision to make a donation to KTF will be dictated by the donor's decisions and interests in the programs KTF implements. KTF will always adopt a donor-centric approach to requests for philanthropic support, based on an understanding of the donor's interests as well as the KTF's needs. However, KTF will not design a new program and / or project based purely on donor feedback / requests.

KTF will ask for donations in a planned and coordinated way to maximise potential success and discourage inappropriate, ill-considered, or multiple approaches to potential donors.

Donations should be sought for the project(s) and areas judged most likely to receive a donation from a prospective donor, based on an understanding of the prospective donor's interests and the project budgetary requirements.

Once a donation or pledge has been received, effective management of donor relations encourages donor loyalty and

provides a compelling case for the donor's continued support.

KTF will ensure donors have given consent prior to any public recognition of their donation.

#### REFUND POLICY:

Any request for refund of contributions to the KTF by a donor will be considered and determined on a case-by-case basis.

When a request for a refund is received, an assessment of the reason given for the refund request will be undertaken. The following reasons will usually be considered favourably:

- An error has been made by the KTF;
- A donor decides within the first 1-3 weeks of providing contributions that they have changed their mind and the funds have not already been used;
- A donor's banking details are fraudulently obtained and used; or
- The individual financial circumstances of the donor.

If it is agreed that a refund is to be made, the donor will be reimbursed within two weeks of the decision.

#### DEFINITIONS:

The following definitions apply for the purpose of this policy:

- a. **Donation** means voluntary contribution or gift, whether in cash or kind. Donations will have the following characteristics:
  - The payment or transfer is made voluntarily
  - The payment or transfer arises by the way of benefaction
  - No material benefit or advantage is received by the donor
- b. **Donor** means any person or organisation making a donation to KTF
- c. **Endowment** is a donation made with the intention that funds are invested to ensure ongoing support for beneficiaries from the investment earnings
- d. **Bequest** means a donation of cash, property, or other resources by will or codicil
- e. **Fundraising activity** means all activities undertaken by or on behalf of KTF with the aim of receiving donations
- f. **Pledge** means a documented commitment to make a donation within a specified period of time
- g. **Prospect** means a prospective donor, i.e., an individual or organisation with both the financial capacity and the likely inclination to support KTF via donation or a bequest
- h. **Recognition** means actions taken by KTF to recognise the generosity of donors, individually or collectively
- i. **Tied donations** refer to any donation given and received for a specified purpose that cannot normally be used for any other purpose without the donor's approval. For example, education-specific projects. Tied donations may have an end date
- j. **Untied donations** refer to any donation given and received for no specified purpose that can be used at the discretion of the KTF
- k. **Will** refers to a legal declaration of a person's wishes regarding the disposition of their property after death

END