



The Code of Fundraising Practice – is it relevant to schools’ development?

Section 2 - Responsibilities of charitable institutions and those who govern them

Section 2 of the Code of Fundraising Practice focusses on **Responsibilities of charitable institutions and those who govern them**. The overriding duty of all charity trustees, or in the case of schools, governors, is to act in the best interest of their charity or school, at all times.

Are your Board of Governors aware of their responsibility for fundraising? Do they know that there are certain legal obligations which they must comply with? And what are the key areas of the code that you should share with them?

Please note that where **must** is written in bold text, this refers to a standard based on a strict legal requirement.

2.1 General Duties

Your Board of Governors **must** take overall responsibility for the fundraising activities of your school – but what does this actually mean in practice?

Governors **must**:

- act in the best interests of the school
- be aware of possible conflicts between their role as a governor and the duties or loyalties they have to others
- make sure that the school’s assets and resources are used only for the purposes for which they were given and in line with the school’s governing document, charity law, and any other relevant legislation
- make sure that all money raised on behalf of the school is received by the school

The Charity Commission* has produced specific guidance on fundraising for trustees, [CC20 guidance for trustees](#) and [CC3 essential trustee guide](#).

* If you are a charity registered in Scotland, please refer to the Scottish Charity Regulator’s (OSCR’s) [Fundraising guidance for trustees](#) and [Guidance and Good Practice for Charity Trustees](#).

*If you are a charity registered in Northern Ireland, please refer to the Charity Commission for Northern Ireland’s (CCNI’s) guidance [Fundraising for Charities](#) and [Running your Charity guidance](#).

2.2 Risk Assessment

Your governors should take reasonable steps to assess and manage any risks fundraising poses to your school's activities, pupils, property, work and reputation.

Governors **must**:

- meet the Proceeds of Crime Act 2002, which applies to money/property that has been gained through criminal behaviour
- meet any legal obligations to protect the health and safety of anyone affected by your school's fundraising activities

2.3 Accepting, refusing and returning donations

Governors are ultimately responsible for decisions relating to refusing or returning a donation, and they **must not** refuse or return donations except in exceptional circumstances. The school should have a clear policy on the acceptance, refusal and return of a donation which should include:

- when to carry out due diligence on the financial and reputational risks of accepting a donation
- the need to record when a donation is refused and why
- when to refund a donation

2.4 Complaints and concerns about fundraising

Your school should have a clear and publicly available complaints procedure which development staff fully understand. As a Board of Governors, you must make sure all complaints are investigated thoroughly, responded to and regularly reviewed, to consider lessons learnt.

Your school must also have a clear and published procedure for members of staff and volunteers to report any concerns they might have about your fundraising practice, whether as a standalone policy or as part of your school's whistle-blowing policy.

2.5 Paying fundraisers

A school **must** use all funds reasonably and sensibly in the interests of the school and its pupils. As a Board of Governors, you must not pay your development staff excessive amounts,



however equally you must not use commission pay unless you have exhausted all other sources of fundraising investment.

Governors **must not** be paid for fundraising for your school.

2.6 Solicitation statements for paid employees, officers and trustees of charitable institutions and connected companies

Whilst schools are unlikely to carry out public charitable collections, and even less likely to pay someone to do this on their behalf, they may well employ fundraisers to run telephone campaigns when a solicitation statement would be necessary – for more information on this, see section 7 of the [code](#).

2.7 Using funds

As a Board of Governors, you **must** only ask for money that fits within the purposes of your school and you **must** use all funds raised for a particular campaign solely on that campaign.

When raising funds for a specific campaign, you should record any donations restricted to that particular project, and include a statement saying what will happen to the funds you receive if the total amount raised is not enough, or equally if you raise more than the target.

Finally, governors should be aware that if you encourage someone to donate by offering benefits, the benefits have to be appropriate and proportionate to the donation, and that some benefits can cancel out possible tax relief such as Gift Aid. Find out more about naming rights and gift aid go to our [members' resource area](#).

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