

Guide for Churches on Fundraising Regulation and Church Giving

Introduction

What follows is church-related notes to encourage best fundraising practice. Most parishes will be following these practices already, but the new code adopts a principles-based approach which aims to be less proscriptive, more flexible and more proportionate. It works alongside existing guidance to charities from the Charity Commission on matters such as accepting and refusing donations.

The Fundraising Regulator, which oversees charity fundraising standards across England, produces the [Fundraising Code of Practice](#). It provides guidance on standards that apply to all fundraising; standards that apply to working with others – volunteers, children, commercial partners - and standards that apply to the different types of fundraising activity, like collections, events, raffles etc. All PCCs are charities, regardless of whether they have yet registered with the Charity Commission. Any request that the church makes for giving, from promoting regular giving to holding a fete, is fundraising. So, the Code of Fundraising Practice applies to all churches. In this guide we have highlighted the values that underpin the Code and some of the key standards that apply to all giving.

The Fundraising Regulator can investigate [complaints about fundraising](#) where the fundraising has caused harm or has the potential to cause harm, considering whether there has been a breach of the code and taking action as necessary.

We would encourage all our parishes to consider [registering with the fundraising regulator](#), particularly for larger churches or those running a major fundraising appeal. There is an annual levy to be paid upon registration based on annual fundraising expenditure, which for most churches is likely to be small. We would also encourage all our parishes to consider registering with the Charity Commission, as it will be mandatory for most churches by 2030, and having a charity number will be useful in your fundraising efforts.

Supporting Values of the Code

All the standards in the code are based on four supporting values:

- **Legal** – all fundraising must meet the requirements of the law
- **Open** – fundraisers must be open about their processes and willing to explain them
- **Honest** – fundraisers must act with integrity and not be misleading about the cause they are fundraising for or the way in which a donation will be used
- **Respectful** – fundraisers must demonstrate respect whenever they contact people.

The Code is flexible, adaptable and easy to apply across a range of fundraising activities. Fundraisers need to exercise good judgement in carrying out fundraising and the Code helps to guide you to making good decisions.

Key Points for Churches

1. Documenting Fundraising Decisions

- Being able to explain and justify your decisions is a key part of good governance and accountability. You need to keep records of decisions that affect your fundraising, including accepting or refusing donations and handling complaints. You can do this through effective meeting minutes, by writing risk assessments for events, and knowing how to manage conflicts of interest.
- Clear documentation helps to show that your decisions were made using appropriate information and advice, and in line with your church's best interests.
- This [guide](#) explains why documenting decisions matters, especially if concerns are raised by donors or the public, or if your organisation is ever subject to an investigation by the Fundraising Regulator.

2. Behaviour when fundraising

As well as defining the four values above, the Code also gives some specific guidance on fundraising behaviour:

- You must consider the needs of a giver who may be in vulnerable circumstances or need extra support to make an informed decision. If you suspect that a giver lacks the capacity to make a decision, they should not be asked for a gift. If you discover this lack of capacity at a later point, the gift must be returned. There is a separate factsheet and video giving more guidance in this area, which you can find here: [Code of Fundraising Practice | The Church of England](#)
- You need to ensure that you allow a giver to make an informed decision, which means not leaving out relevant information or making inaccurate, ambiguous or exaggerated claims. If you make a claim that is likely to be taken literally, you must make sure there is evidence to prove it.
- When asking for support, you can use reasonable persuasion, but not in a way that is an unreasonable intrusion on a person's privacy, is unreasonably persistent or places them under undue pressure. You must not continue to seek support if a person indicates, by word or gesture, that they don't wish to continue.
- You must not unfairly criticise other people or organisations or encourage a giver to cancel or change an existing gift in favour of supporting a different organisation.

3. Taking Responsibility

Whether or not the church is registered with the Charity Commission, all [PCC Members are Charity Trustees](#) and, as such, they have a duty to take overall responsibility for the giving activity of the Church. That doesn't mean they can't delegate organisational roles or that every detail needs to be discussed at a PCC Meeting. But it does mean that the PCC must:

- Be aware of the Code of Fundraising Practice and ensure that those who supervise fundraising on its behalf follow the standards.
- Be the body within the church that agrees what types of fundraising activity are used and for what purposes funds are raised.
- Ensure that all money raised is received and accounted for by the church, and that funds raised are only used for the purposes for which they were given.

4. Carrying Out Due Diligence

Due diligence on donors and donations should be appropriate and proportionate to the size and risk of the donation. Most donations you receive are likely to be from people you know, in your church congregation or local community.

- The new code is clear: before accepting a donation, you must carry out proportionate due diligence that reflects the size and nature of the donation. It's about protecting your church's reputation, managing risk and making reasonable, evidence-based decisions, as well as making sure you and those you work with are complying with the law.
- This [guide](#) explains how to carry out appropriate checks on donors, donations and fundraising partners.
- The guide outlines good practice for carrying out these checks and includes advice on working with professional fundraisers, commercial partners and volunteers. It also signposts to relevant laws and guidance from other bodies such as the Charity Commission and HMRC.

5. Accepting, refusing and returning gifts

Generally, a church must not refuse or return a gift that was made through an informed choice to support its aims. However, it can take the ethics and values of the giver into account if it can demonstrate that accepting a gift would be detrimental to the church's aims. This could be because equivalent value gifts from other supporters or funders might be lost, or loss of volunteers whose services would be of at least the same value. Decisions to refuse or return a gift must be taken by the PCC, or through a process it has set up, and a record made of each case.

6. Restricted and Unrestricted Use of Funds

Gifts must only be used for the purpose for which they are raised. So it is important to think carefully about the wording used when the gift is requested – do you want to be able to spend the money on any of the Church's work (these are called 'unrestricted funds'), or are you trying to raise it for a specific purpose ('restricted funds')?

If you are fundraising for a specific project or item, you must include in any fundraising material a statement that explains what will happen to any surplus funds if you raise more than you need, and what will happen to donations if not enough funds are raised. You might write something like: "If we raise more than we need, or not enough money is raised to proceed, any surplus or unused funds will be used for the ongoing ministry of the church".

7. Processing personal information

Most forms of fundraising involve collecting and processing personal information. All the usual regulations on data protection and privacy apply to fundraising, and you can find [more guidance on this on the Parish Resources website](#).

Guidance on Using the Code

The Fundraising Regulator has created the following code support guides to help you meet the code in three key areas. These include a list of top tips to help you in your fundraising activity:

[Documenting your fundraising decisions](#)

[Due diligence and fundraising](#)

[Monitoring fundraising partners](#)

The Church of England has produced a Donations Acceptance Policy that PCCs can adopt to help PCCs be compliant with the Code of Fundraising Practice and to make it clear how people can make a complaint if they need to.

You can find the template policy and guidance for discussing it with your PCC here: [Code of Fundraising Practice | The Church of England](#)

More Information

You can consult the [full Code of Fundraising Practice](#) on the Fundraising Regulator's website.

[Donors in vulnerable circumstances | Fundraising Regulator](#) is a guide on working with givers who may be in vulnerable circumstances

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