

The implications for Honorary Treasurers of the Etherington Review into Fundraising

Paul Palmer, Professor of Voluntary Sector Management, and Associate Dean for Ethics, Sustainability and Engagement at Cass Business School also spoke at the Honorary Treasurers meeting in November to provide an update for Treasurers on the Fundraising Review published in September and look at how the proposed legislation may affect their work.

He explained the events that prompted the Etherington Review - including the death of poppy seller, Olive Cooke and various stories in the press about charities targeting vulnerable people for fundraising and poor practices being exposed in many organisations. The system of self-regulation in fundraising clearly wasn't working and was seen by many as not fit for purpose.

NCVO's Sir Stuart Etherington was asked by government to lead a review into the self-regulation of charity fundraising over the summer of 2015. The review, which was turned around in just one month, took evidence from stakeholders in order to identify what changes are required to rebuild public trust in fundraising by charities.

The review panel engaged widely, holding dozens of meetings and receiving hundreds of pages of feedback from over 100 organisations from the voluntary sector and elsewhere.

The Key Findings of the Review

- The Fundraising Standards Board (FRSB) was ineffective in regulating fundraising and has lost the confidence of the public and charities. It will be replaced with a more powerful body with the public interest at its heart, which can ensure that vulnerable people are protected.
- A new 'Fundraising Preference Service' will be created for the public to opt out of fundraising communications. The service would act as a 'reset button' for those who are unhappy with the number of charities contacting them.

The service will be overseen by the new regulator. It would oblige charities to stop sending fundraising requests or making phone calls to those who have opted out. It would mean the public could opt out of fundraising requests from multiple charities without the inconvenience of contacting them separately. People would still be able

to receive information from those charities they are interested in by opting in to hear from them subsequently.

The implications for Treasurers

This new opt in service will have a major impact across the sector. Donor numbers will fall and Treasurers must act now to review their income projections.

They were advised to act prudently and conservatively in terms of spending over the next few months until the market settles down.

They need to be aware of the new costs involved in terms of dealing with the new regulator. Charities will need to have the right systems and reporting facilities in place to do this.

The UK is a saturated market in terms of giving and philanthropy. Charities will have to come up with new creative campaigning initiatives and incentives to attract donors.

For some organisations, the cost of recruiting new donors will be too high and it was that the middle sized charities might fare the worst. There are likely to be closures and mergers ahead.

Treasurers are also advised to review their risk registers and codes of ethics and ensure there is no malpractice taking place within their organisations.