

## Assurance with Vision

### Charitable Funds Survey

Are you maximising the fundraising potential of your charity?



360 Assurance has a clear vision for the delivery of audit and assurance solutions. Our approach is one of Partnership and Collaboration. We work in partnership with you to provide a cost effective, quality driven service that helps you deliver your key priorities.

#### Introduction

Funds received through charitable activities are an invaluable resource to the NHS and increasingly, organisations are looking to ensure their approach to charitable fundraising activities is optimised for them. As such 360 Assurance issued a survey in collaboration with Nottinghamshire Healthcare NHS Foundation Trust.

The aim of the survey was to capture fundraising activity information from NHS charities to allow high level benchmarking and facilitate an opportunity for organisations to share new and innovative fundraising developments that others may be able to learn from. 23 responses were received and the key findings are highlighted in this briefing.

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#### Advertising and Promotion

Communicating the need for support and building awareness of the charity and its activities has an impact on attracting donors. Charities need to pro-actively raise local awareness of the charitable fund. From the

survey 19 charities stated they advertised the fund and how to donate on their website.

When asked for the most successful method of advertising 6 of the 9 using social media responded 'social media' with benefits identified in the comments as:

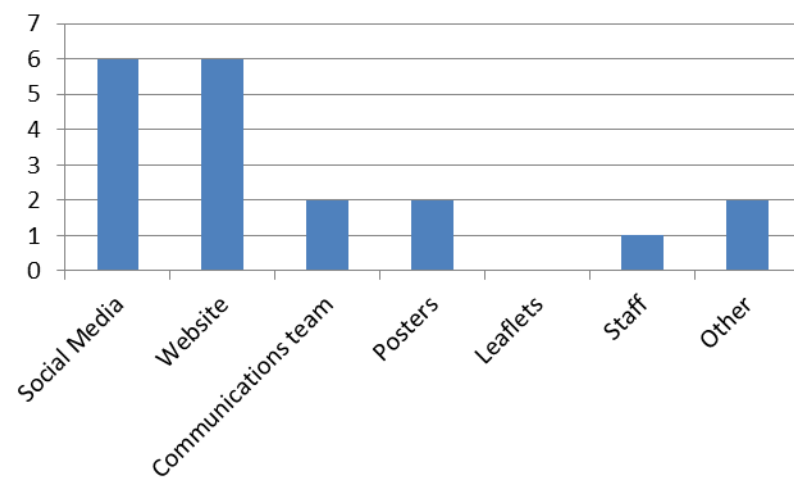
- Wider audience reach, able to target particular demographics
- Reaches the most amount of people due to other "likers" sharing the posts
- External fundraisers publicise activities
- Cost effective reach
- Our Website Improves accessibility and ability to donate used in conjunction with social media to keep people informed and up to date.
- Mixture of publicity methods dependant on the nature of the fundraising – our social media contacts are increasing every month

When advertising and promoting charities should demonstrate what donations have been spent on in the past, and this will inspire people to donate, creating a positive cycle of giving. Donors can see the patient benefits derived from past giving and linked to a patient story this can be a powerful fundraising tool. Launching an appeal for a particular scheme/capital scheme the charity is fundraising for will also provide an impetus to attract funding. Communication with existing and potential new donors is therefore of key importance to inspire giving.

7 charities confirm they have formally published the purpose of their charity.

The survey asked what the respondents thought was the most successful method of promoting the charity. Respondents were restricted to selecting one option. Social media and website were the most popular.

### Which publicity method has been the most succesful



Seven of the top ten respondents for 'income received from donations' identified using social media and their website to promote the charity. Conversely respondents in the lower half showed fewer instances of the use of social media.

## Methods of Donating

It is increasingly important to utilise online and text giving as tools to facilitate donating, especially to engage younger donors and for events. In the last 5 years there has been an increase in the use of donations by text.

In respect of our survey question on new developments it is clear there is increasing focus on contactless payments. Research suggests charities could more than double their donations by using contactless payments. Smartphones are also playing an increasing role in people's lives.

The survey identified the following forms of donating in use that are much easier for the public to engage with:

- Virgin Money
- Just Giving
- PayPal
- Credit/debit card
- Regular donation via direct debit
- Donation by text

None of the charities responding have a specific App or use a marketing partner

Mobile donation charity Donate has announced the launch of charity contactless boxes. Charities will be able to rent boxes from Donate. This will have an associated App which allows donors to repeat donations. Donate is a platform that allows the public to donate via touch, SMS text or online.

## Gift Aid Small Donations Scheme:

Charities can claim top-up payments on small donations of £20 or less under the Gift Aid Small Donations Scheme (GASDS) and this now applies to contactless donations. An extract from the HMRC website states:

*'From 6 April 2017, you can claim on donations made using contactless technology, such as a contactless credit or debit card. Before 6 April 2017, you could only claim top-up payments on small cash donations. Cash donations can be in coins or notes of any currency that have been collected and banked in the UK.'*

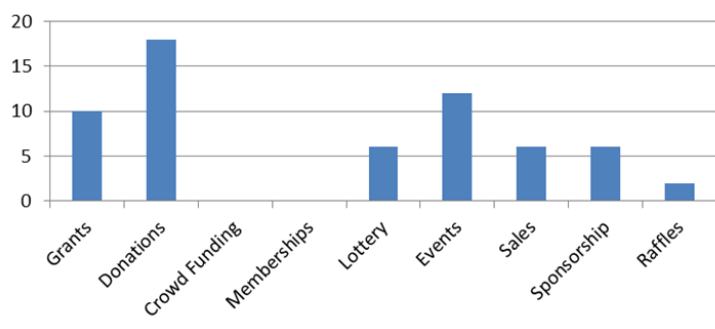
*You don't need to know the identity of the donors or collect Gift Aid declarations.*

*GASDS claims are worked out in the same way as GiftAid. If the basic rate of tax is 20% you can claim a GASDS top up payment of £2,000 on £8,000 worth of small donations.'*

## Fundraising Activities

The survey asked what fundraising activities are undertaken, respondents could select all that applied.

## What fundraising activities are undertaken?



## Crowdfunding:

Although no charities in our survey have used crowdfunding to raise funds this has successfully been utilised by the Royal National Orthopaedic Hospital Appeal. This raised £412,141 for a Spinal Cord Injury Centre (SCIC) expansion campaign. Launched in October 2016 this was the first NHS charity to use crowdfunding.

The survey asked the charities top fundraising schemes for 2017/18 and these are displayed in the box below. 11 charities provided no responses to the fundraising schemes planned for 2017/18. This demonstrates the passive nature of many NHS charities at the present time.

## Future Focus

Charities need to ensure they keep up with new technology and innovation in fundraising. The environment for attracting donations is increasingly competitive.

Digital fundraising is simply fundraising using digital technology. The last 5 years have seen an increase in the use of donations by text. The future of fundraising should utilise the ease with which donations can be made through mobile phones. Appeals and stories of the good use to which funds have been put can be shared with donors through social media. The good word can be spread through 'likes' and instant messaging. Advances in technology have seen the development of contactless charity boxes. Modern methods of donating make it increasingly easy to donate.

### What new payment, fundraising or publicity schemes are you planning to introduce?

- Contactless Payments
- Digital donations auctions/on line collection tins
- Expand Lottery
- Expand colour run, improved merchandising.
- Embark upon Corporate fundraising.
- Explore Grant and Foundation fundraising opportunities.
- Introduce pro-active fundraising.
- Introduce "MyDonate" for online donations.

### What are your top 5 fundraising schemes 17/18?

- Abseil
- Sponsored Cycle ride
- Sky Dive
- Stripe QR online payments
- Volunteer fundraisers
- Eye Ball
- Golf Charity Event
- Café/woodshop run by patients
- Colour Run - mass participation event
- Jingle Jog - mass participation event
- Supporting staff sponsored trip walk - great wall of China
- Free Wills fortnight – legacy promotion
- Capital appeal
- Bake Off events
- Third party sponsored events
- Staff Lottery

A quote from the Guardian last year stated:

*'Mobile will increase the pace at which stories can be gathered, managed and passed to the donor. Soon, delivery staff for charities will be capturing stories as they deliver the work, via the functions on their mobile phones. These stories will then be collated centrally and dispatched via social, email, SMS and WhatsApp direct to the phones of donors. Charities that successfully fuse digital storytelling, next-generation payments and instant messaging will be at the forefront of fundraising in the coming years'*

## Conclusion

It is clear from the information received through our survey and research undertaken that those reaping the most rewards from fundraising are embracing new technology. This is both as a means to facilitate and simplify the act of donating and also as a method of demonstrating how people's donations are making a difference. The challenge for charities going forward is to ensure they embrace technology.

We would like to thank the HFMA Charitable Funds Special Interest Group and our colleagues in The Internal Audit Network (TIAN) for circulating our survey and also those charities that provided responses.

## Further reading

### HFMA NHS Charitable Funds

[www.hfma.org.uk](http://www.hfma.org.uk)

*360 Assurance is committed to adding value to our clients and other health & social care organisations. We welcome suggestions for analysis that you will find most useful in our future publications – please speak to your Head of Audit or Client Manager, or any of the contacts listed below.*

## Assurance with Vision

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