



# FUNDRAISING POLICY

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Valid from 1 January 2019

**Approved by: THE BOARD OF TRUSTEES**

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## **ABOUT SETHU**

Sethu is a Charitable Trust based in Goa, India, to help all children get the best out of their lives, families, schools and communities to grow and develop. Sethu's mission is to be a bridge between children and their families, schools and communities to foster their overall development through awareness, assessments, therapy, educational initiatives, training and capacity building in the community.

Sethu is registered with the Department. of Social Welfare, Government, of Goa, the Income Tax Department under section 12A and 80G, and has permanent registration under the Foreign Contribution Regulation Act (FCRA) 2010 of the Ministry of Home Affairs, Governmentt. of India.

## **OBJECTIVE OF THE FUNDRAISING POLICY**

This policy was created to ensure that Sethu maintains its high standards of integrity and stewardship in both its active fundraising and related communication activities and its acceptance of donations. The organisation will make every possible effort to ensure that this policy is current, relevant and used consistently to achieve this objective.

This policy sets out guidelines for due diligence in acceptance, receipting, documenting and reconciling donations received by Sethu. Adherence to this policy is paramount to ensure that the organisation stands up to scrutiny by its stakeholders.

## **INTRODUCTION TO THE POLICY**

Sethu is a registered Trust and may accept charitable gifts based on the policies and procedures described in this document. All policies herein shall become effective upon approval by the Board of Trustees. Sethu generally accepts charitable gifts in the form of cash, cheque, credit card, UPI, bank transfers, gifts-in-kind of goods and services, or deferred gifts which include will bequests, transfer of stock, life insurance policies, gift annuities and charitable remainder trusts. Ownership of all gifts resides with Sethu whether they benefit the organisation in general, or some purpose specified by the donor and agreed to by Sethu.

Sethu prefers to receive unrestricted donations to pursue its greatest needs but may accept restricted donations after a careful process of due diligence to ensure that such specific purposes are complementary to the overall long-term goals of the organisation. Sethu may elect to accept or decline any unrestricted or restricted gift.

## **FUNDRAISING PROCEDURES**

On an annual basis, the Board of Trustees, Director, Administration and designated staff, will review all upcoming funding needs and agree on the best ways to reach the fundraising goals of the organisation. An annual fundraising plan will be developed, approved and implemented. Quarterly reviews will be undertaken by the fundraising committee, designated staff and Director to assess the success of the fundraising work to date, with an eye to enhancing and improving current and future fund development initiatives.

The Board of Trustees, Director, designated staff and Fundraising Committee, fundraising and communications volunteers and others as appropriate will be provided a copy of all policies and procedures related to fundraising activities to ensure compliance across the organisation.

All grant applications and letters of solicitation or acknowledgement sent by Sethu must be sent on the Sethu letterhead, be reviewed and signed by the Director or their designee. Once the grant has been received regular updates/reports have to be sent to the donor as per the guidelines laid down.

Upon receipt, all monetary donations shall be forwarded to the accounting department for coding and recording purposes. After funds have been accounted for by the appropriate accounting staff, the details shall be circulated in the weekly Child Development Centre (CDC) meetings. All monetary donations are recorded and deposited according to accounting procedures and thank you correspondences will be shared with the donor as per the guidelines laid down in the donor acknowledgement section of this document. All donor-designated restrictions (eg. Non-disclosure of name and email id, non-enrollment to the mailing list, etc) shall be communicated to the accounting department so that they may be recorded and actioned appropriately. All requests for donors to remain anonymous shall be honoured by flagging the gift in the donor database as appropriate. All donors will fill in the online or printed donor form at the time the donation is made:- <https://goo.gl/forms/7ahTi9yO5UriWDf83>

## ETHICAL GUIDELINES

This policy recognises the critical importance of ethical conduct in fundraising activities in order to safeguard the status of the organisation as a registered trust and ensure Sethu stands up to scrutiny by all its stakeholders and the public.

### **Ethical considerations include:**

- Sethu does not endorse any products and/or services of donors or sponsors.
- Sethu does not accept donations in cash or kind from companies that create products that cause physical harm to human beings, animals or the environment or due to their business interests cause mental or social harm to families, children and people both directly or indirectly or any industry as determined by the Board of Trustees. (Example of industries: Alcohol, Tobacco, Illicit Drugs, Gambling, Mining, etc). However wherever the companies have diversified and have other sources of income from industries that do not fall into the categories mentioned above, it is permissible to accept funds from their CSR Foundation.
- Sethu will not use any unethical or unlawful techniques to solicit funds or sell products and services.
- Donations will not be accepted if they are deemed (to the best of our knowledge) to have originated from unethical or unlawful activities as determined by the Board of Trustees.
- Sethu will not engage in any activities that involve discriminatory practices against any individual or group based on gender, sexual orientation, religious or political affiliation, citizenship, age, race or ethnicity, a record of offences, disability, income or family status.
- No valuable consideration or other privileges will be bestowed on a donor who could have the ability to exercise, directly or indirectly, control or significant influence over Sethu or the children or families seeking help from Sethu.
- Cash donations up to a maximum of INR 2000 only will be accepted, in keeping with the present laws of India. Donations exceeding this amount will be accepted by cheque, online donations, direct bank transfers or in kind.
- Sethu will not engage outside professional fundraisers if fees are a significant portion of the anticipated funds raised as determined by the Directors and the Board of Trustees. This should be determined – after professional fundraisers earn their own salary as a % of funds raised.
- All Sethu activities will be aligned with Sethu's Child Protection Policy.

## **TYPE OF DONATIONS**

Depending on the source, donations fall into two general categories - Indian/local and Foreign. The nationality of donor should be properly established prior to accepting the donation. As per the FCRA regulations, all donations from foreign passport holders, regardless of the currency, their place of residence or source of the donation will be considered as Foreign Contribution and be deposited into the Sethu FCRA account in State Bank of India, Panaji. Donations from Indian passport holders residing anywhere in the world and made in any currency are considered as 'Indian Donations' and should be deposited into the local Sethu account in HDFC Bank, Panaji.

Information about which account the donation is to be credited to must be given to potential donors and the correct bank details should be shared with the donor. In case donations are erroneously made into the wrong account, the procedure for correction should be immediately instituted.

## **DONOR ACKNOWLEDGEMENTS**

Within 10 business days of donation receipt, every donor to Sethu shall receive a formal acknowledgement thanking them for their contribution and donation receipt. Donations may be made into the donation box. These will not be given receipts for individual amounts. At the time of opening the donation box, a single receipt is made for the cash from the donation box.

All information gained from the online donor form shall be added to the Donor Database by the Administrator. Every donor will be included in informational mailings and details shared with the Sethu staff during the CDC meeting.

## **DONOR PRIVACY POLICY**

Any information supplied to Sethu by donors will be used solely to fulfil their donation and shall not be shared for any reason unless permission is granted by the donor to share such information. All requests to remain anonymous shall be honoured. Sethu does not sell or share donor lists. Donors who supply Sethu with their postal address or email address may be contacted periodically for solicitation purposes, with information regarding upcoming events. All donors have the option of being placed on a mailing list which grants Sethu permission to contact them. Donors may request to be permanently removed from the mailing list by contacting us via email, phone or postal mail. All requests to be removed from the Sethu mailing list shall be honoured by the Administrator. Donor names will be included in the annual reports unless they wish to remain anonymous.

Donors who supply Sethu with their telephone number may request that they not be contacted for telephone fundraising purposes.

## GENERAL GIFT ACCEPTANCE POLICIES

Gifts to Sethu may take a variety of forms. Many are outright gifts by living donors. Some are bequests or testamentary gifts that take effect upon the donor's death.

Sethu may accept the following types of contributions:

**Cash:** The organisation may accept outright cash gifts for a maximum amount of INR 2000 per day from an individual unique donor.

**Cheques, Online Transfers, and UPI:** The organisation may accept donations via cheque, online transfer, or UPI based on the passport held by the donor. Indian passport holders only donate through the Indian account (HDFC Bank, Panaji) and non- Indian passport holders only through the FCRA account (State Bank of India, Panaji).

**Publicly-Traded Securities:** Sethu may accept gifts of publicly-traded stocks and bonds at fair market values as determined under National Securities Exchange and Income Tax Department. Gifts of publicly traded securities will generally be sold as soon as possible, and the fund the donor established will be credited with the proceeds from the sale, after commissions and expenses, if any.

**Tangible Personal Property:** Tangible personal property may be accepted as a gift, provided that (i) such property is saleable and (ii) the donor agrees that the property can be sold at Sethu's discretion. The donor is responsible for obtaining a qualified appraisal prior to completing the gift.

**Life Insurance Policies:** Sethu may accept gifts of life insurance policies, provided that Sethu and the donor reach a prior written agreement about arrangements for the payment of any required premiums.

**Real Estate Property:** All proposed gifts of real estate must be evaluated and satisfy due diligence requirements of Sethu.

Sethu reserves the right to refuse any proposed gift. Gifts to Sethu may not be directly or indirectly subjected by a donor to any material restriction or condition that would prevent the organisation from freely and effectively employing the transferred assets, or the income derived therefrom, in furtherance of its exempt purposes.

## RESTRICTED GIFTS

A restricted gift is defined as a gift that has a specific purpose specified by the donor and agreed to by Sethu upon acceptance. Sethu may accept and solicit restricted donations designated for a current restricted fund and approved special projects already included in the annual operating budget.

If the nature of the restricted gift involves a long-term strategic association, a Memorandum of Understanding will be developed and signed to define the alliance.

Documentation and financial accounting must be maintained to ensure easy verification of the use of restricted funds. Reports to be sent to donor individual/agencies on a regular basis once the purpose of the funds/grants have been decided.

In the case of restricted donations that result in the creation of new initiatives, the organisation must approve the designated donation based on the following:

- Any new donor wishing to donate funds with external restrictions or for a specific purpose must outline the purpose and intent of their gift in writing.

- Such gifts may not be contradictory to Sethu's mission and goals.
- The donor's business, their personal activities must be perceived to be socially responsible and not contradictory to the mission and ethical guidelines laid down by Sethu in this policy.
- The gift may not result in unplanned higher operational costs or financial burden in order to actually administer or liquidate the gift.
- The gift may not be restricted to the benefit of an individual or group of specific clients.

The gift must be reviewed by the Director who will make a recommendation to the board to determine whether to accept the restricted donation. If the donation is rejected, the Director will inform the donor immediately and will maintain a file of the decision and due diligence procedure to support the decision.

## GIFTS-IN-KIND

Gifts-in-kind goods are defined as any gift that is not cash or cheque, including securities. Sethu often receives gifts-in-kind like teaching aids, books, toys and play equipment. All these gifts need to be documented and the donor thanked in the annual report.

Gifts-in-kind services are free services needed to further the goals of the organisation. Examples of such services include consulting services and advertising. These services cannot be receipted, as they do not represent a transfer of property. Where suppliers donate back amounts related to payment for services provided, they should be issued a receipt for the full amount of the cash donation.

Sethu may decline acceptance of any gift-in-kind goods or services based on the following:

- The gift may not result in unplanned higher operational costs or financial burden in order to store or liquidate.
- The gift must be an item that can be used within a reasonable period of time by Sethu.
- The donor's business and their personal activities must be perceived to be socially responsible and not contradictory to the mission and ethical guidelines laid down by Sethu in this policy.
- Sethu should have the freedom to make decisions regarding upgrading, maintenance and ultimate disposal of the gift.

Sethu will ensure that all gifts in kind donors receive proper acknowledgement and recognition.

## OFFICIAL TAX RECEIPTS

Sethu will issue official tax receipts (with the Sethu PAN number and stamp so that the donor can avail 80G exemption) fulfilling all the requirements of the Income Tax Act and FCRA regulations of India. Though there is no stipulation requiring the issuance of receipts within a particular time frame, the organisation will ensure that receipts are issued within 10 business days of the donation clearing its accounts.

## REFUND POLICY

Sethu is not obliged to make refunds and may, in its discretion, decline any requests for refund of donations, particularly if a tax exemption certificate has been issued.

**NB Sethu does not entertain, under any circumstances any request for cancellations and refund of any donations once duly placed. No cash or refund of money will be allowed after a donation is made as it is an extremely cumbersome process.**

## EVENTS

Special events are defined as activities that the organisation plans and conducts in order to raise funds.

The following will be considered when planning special events:

- The cost to raise money should be no more than 50% and ideally significantly lower than the expected income to be generated. Rare exceptions may be given if the event is deemed to have significant public relations benefit.
- The amount of staff time invested in the event versus the overall anticipated revenue will be considered.
- All required licences and permits will be obtained and are the responsibility of the key organisers.
- Only if money is collected by Sethu will individual receipts be issued. If money is collected by a third party then only 1 receipt will be issued for the final amount to the third party.
- Sethu will not pay non-refundable deposits.
- Formal written MoU will need to be signed between Sethu and the organizer or third part with details of the amount to be received as donations, expenses, fees, time by which the donations will be given to Sethu etc.
- All photographs taken during the event should be as per the guidelines laid out in Sethu's child protection policy. At least one photograph must be captured with the event banner, Sethu Standee, hosts, sponsors/donors & participants, which is to be used for our website, annual report and other official communication.

Third party events can be planned and conducted by an outside organisation, company or group of individuals where all or a portion of the funds raised are donated to Sethu. Sethu staff and volunteers may assist in planning and executing these events periodically and usually at least one individual from Sethu will attend to represent the Trust.

Third party events are encouraged, and the revenue accepted as long as the events and the donor's business their personal activities are perceived to be socially responsible and not contradictory to the mission and ethical guidelines of Sethu laid down in this policy. Third party organisers are required to review Sethu's Fundraising policy and complete a planning proposal prior to the event.

## LEGACY GIFTS

Bequests, life insurance designations, or other gifts that take effect on or after the donor's death are considered 'Legacy Gifts'. Like any other gift, Legacy Gifts are governed by this policy.

The Director should, to the extent possible, attempt to ensure that any planned Legacy Gift complies with the terms of this policy. If the Director and fundraiser becomes aware of a planned Legacy Gift that does not comply with this policy, they should attempt to work with the donor to restructure the terms of the gift so that it does comply. In the event that a Legacy Gift does not comply with the policy and this is not discovered or remedied until after the donor's death, the Director shall attempt to work with the donor's legal representatives to restructure the gift, although this may not be possible in all circumstances.

As with any other gift, Sethu may elect to accept or reject any Legacy Gift.

## DONATIONS TOWARD BUILD OUR BRIDGE (BoB) CAMPAIGN

All donors making a general donation to the BoB campaign of above and including the sum of INR 1,00,00,000/- will have their names as per the donation receipt, mentioned on a mural in the new permanent center. The design of the mural and the order of the names being mentioned will be at the discretion of Sethu. Donations of sums less than this will be mentioned in the annual report. Donations specifically made towards the costs of a particular room or item (e.g. Early Intervention Centre, park bench, etc), as per the list prepared by the Technical team of the Building



Committee, will be recognised on a standard name plaque indicating in whose memory or honour the donation has been made.

## CSR DONATIONS

All corporate donors making a CSR donation, need to fill in the below form to help assess whether the donation should be made to the India bank account or the FCRA bank account. The details of the donation should clearly indicate where the donation is to be used and should be mentioned in writing, else it will be considered as donation towards the Sethu Corpus and it will be at the discretion of Sethu to spend the donation on activities for which the trust has been established.

### FCRA Declaration Form for CSR funding

To comply with requirements of Foreign Contribution (Regulation) Act, 2010, Sethu needs to find out whether a donor or supporter is classified as a foreign source or Indian source. As FCRA provisions are complex, we request the following information about your company \_\_\_\_\_ [full name of the company] which will help our legal advisers guide us on this issue. Kindly answer all the questions listed below and return this document to us

1. Whether your company is a foreign company or corporation i.e. registered or incorporated outside India: [Yes/No/Can't say]
2. Whether your company is branch of a foreign company or corporation: [Yes/No/Can't say]
3. Whether your company is part of a foreign multinational corporation (MNC): [Yes/No/Can't say]
4. Whether your company is a subsidiary of a foreign company or of a foreign multi-national corporation: [Yes/No/Can't say]
5. Whether more than 50% of the company's nominal capital is held by foreigners (including foreign citizens, foreign governments, foreign corporations, FII's, foreign companies, foreign MNC's or their subsidiaries or foreign trusts / firms etc.): [Yes/No/Can't say]
6. Whether the foreign shareholding in 5 above exceeds FEMA/ FDI norms: [Yes/No/Can't say]