

# POLICY ON STAFF/STUDENT FUNDRAISING

Approved at Board Meeting

28 April 2022

Review Date: March 2027

*Internal and external circulation*

## 1. INTRODUCTION AND BASIC PRINCIPLES

- 1.1 In accordance with the Vision and Mission of the United World Colleges, Li Po Chun UWC takes seriously the challenge to engage in activities that actively serve others while developing a spirit of generosity among the students.
- 1.2 Effective service in Hong Kong, Mainland China and elsewhere requires financial support from within and outside the College community.
- 1.3 This Policy aims to establish parameters and procedures for fundraising that will give the College a framework for fundraising without having to seek approval for each individual project from the Board. This Policy considers the limitations of operations imposed by the College's Constitution/Trust Deed, and the regulations of government authorities such as the Internal Revenue Department (IRD) and the Education Bureau (EDB) to which the College is subject.
- 1.4 Drafts of the 1<sup>st</sup> edition of the Policy were circulated and discussed with the EOTC Committee, Focus Team and Accounting Staff prior to its finalization and approval by the Board, and this draft represents a revision to ensure more explicit compliance with EDB regulations.
- 1.5 The Policy is based upon the following principles:

- a) There are four basic types of fundraising that bring the College directly in line with EDB guidelines :
  - TYPE 1 – Raising funds on campus for approved charities and trusts in Hong Kong
  - TYPE 2 – Raising funds on campus for other organizations approved by the PSEd
  - TYPE 3 – Raising funds on campus for College purposes (but not China Week, Project Week or other trips transport or accommodation).
  - TYPE 4 – Raising funds as listed above *outside* College premises

A fifth category of fundraising, namely fundraising for capital works at the College, is the prerogative of the Board, and is therefore not covered by this Policy, although the Board may delegate aspects of such fundraising to College staff from time to time.

- b) NO COLLEGE-RELATED FUNDRAISING MAY TAKE PLACE BY STUDENTS OR STAFF WITHOUT THE PRIOR WRITTEN PERMISSION OF THE PRINCIPAL.
- c) All fundraising activities in the College, whether by staff or students, must comply with the provisions of this Policy, especially as the name of the College is used.
- d) Fundraising is defined as any request for support for College-related projects or ventures by members of the College community, and includes
  - Cash donation
  - Accepting donations and gifts
  - Accepting sponsorships

- Contributing goods and/or services
  - Paid advertising in College publications
  - Discounting prices in lieu of cash
- e) Co-ordination of all College fundraising is needed so that the entire College community is aware of the ventures and projects, and those requests for support are monitored, recorded, and acknowledged.
- f) All fundraising ventures in the College should be coordinated by the Director of EOTC or other person designated by the Principal so that:
- There are no clashes in seeking support for similar and/or related ventures
  - The College community does not become over-saturated with fundraising activities
  - Parents, local businesses, clubs, and suppliers are not approached too frequently
  - Fundraising is conducted in a manner that does not cause unnecessary work for the Accounts Office.
  - Fundraising events do not clash with other major College events already in the Calendar.
- 1.6 Funds may not be raised through trading activities without the specific prior written approval of the EDB and the Board. Trading activities includes the on-selling of goods for profit and the sale of advertising
- 1.7 Whenever students are involved in fundraising activities of any kind outside the College's own campus, prior written consent must be obtained from parents or included in the Joining Papers, and the teacher-in-charge must be satisfied that the organizers (whether outside organizers or members of the College's own community) have a well-planned system of measures to ensure safety.
- 1.8 If the fundraising involves any form of public entertainment, whether on campus or off campus, whether with payment or without payment for admission, the teacher-in-charge must ensure that the organizers (whether outside organizers or members of the College's own community) have obtained the relevant permit or licenses from the relevant government authorities.

## **2. GUIDING PRINCIPLES FOR FUNDRAISING**

- 2.1.1 The objective of the fundraising must be closely linked to the educational ideals and philosophy of UWCs. The nature of the fundraising must therefore add value to the students' educational experience.
- 2.1.2 Money raised for College Service projects (China Week, Project Week or Quan Cai) must directly benefit the service recipients, such as through the provision of materials or services. Money raised from Type 3 fundraising for Service projects may not be used to benefit our own students or staff, such as by subsidizing travel

- 2.1.3 All fundraising proposals must be submitted to the Director EOTC or the Principal at the end of September each year to ensure a balanced and coordinated spread of fundraising activities throughout the year and avoid donor fatigue.
- 2.1.4 Whether the fundraising is student-initiated or staff-initiated, a member of staff must be designated to oversee the fundraising and accept overall responsibility to ensure that the provisions of this Policy are fulfilled, including liaison with the accounts staff.
- 2.1.5 Measures must be taken to comply with local regulations, including those stipulated by EDB and ICAC. A Fundraising Form must be signed by the supervising teacher indicating that he/she fully understands the guidelines issued by the EDB, ICAC and the Social Welfare Department and submitted to the Principal for approval.
- 2.1.6 All collection of money must be supervised by at least one teacher, who will be the person to gain written approval from the Principal beforehand, and then supervise and closely monitor the implementation of the event. Approval must be granted in writing on the Fundraising Form by the Principal before any money is collected.
- 2.1.7 All money collected must be kept in a lockable box, which should be left locked whenever possible. After money collection has been completed (or from time to time as necessary), the supervising teacher will pass the locked box to the Accounts Office, where the box will be opened and the money counted immediately in the presence of the supervising teacher and the accounting staff. The cash receipt form will be filled in at the same time with the signature of both the accounting staff and the supervising teacher. Receipts will be issued only upon request.
- 2.1.8 There must be clear deliverables and a report prepared by the supervising teacher on the Fundraising Form as soon as possible after the fundraising has been completed to assess the effectiveness and performance of the activities held.
- 2.1.9 A detailed projection should be prepared by (or on behalf of) the supervising teacher with all expenses estimated precisely to support the proposed fee to be charged. This should be outlined on the Fundraising Form.
- 2.1.10 The supervising teacher must ensure that all income and expenses are documented with clear accountability, documentation, and transparency. Specifically, all activities must be documented, together with fees charged and any cash advances requested. The detailed plan, fee proposal and money requested, all outlined on the Fundraising Form must be approved in writing by the supervising teacher and the Principal. A copy of the written approval must be provided to the Accounts Office by the supervising teacher at least seven days before any funds are collected or disbursed.
- 2.1.11 After consolidating all money collected, the supervising teacher must fill in the cash receipt record. The cash will then be forwarded to the Accounts Office together with the record form by the supervising teacher. The money will be counted immediately in the presence of the supervising teacher and the accounting staff. Receipts will be given only upon request.

- 2.1.12 In order to maximize the benefits of the fundraising, operating costs for fundraising functions should be minimized and the College shall provide food at its own cost whenever possible (this point is also to ensure hygiene and food quality) up to the normal cost of meals provided in the College's own canteen. If food costs exceed this amount, then the extra cost must be borne by fund raising campaign.
- 2.1.13 Disbursement of funds will be made up to the amount held in the pool for the specified purpose. All documentation must be completed satisfactorily before funds can be disbursed, except for deposits which may be approved by the Principal for earlier payment upon written application from the supervising teacher
- 2.1.14 Solicitations for donations should by-pass existing donors as far as possible to avoid donor fatigue.
- 2.1.15 The acceptance of donations and/or sponsorships must not adversely affect the reputation of the College.
- 2.1.16 No conditions should be attached to the acceptance of any donations or sponsorships, especially those which will affect the College's ability to carry out its functions impartially (e.g., giving out preferential treatment to a donor's child who is applying for admission to the College).
- 2.1.17 Acceptance of a donation should not give rise to any perceived or actual conflict of interest or put the College in a position of obligation to the donor or sponsor.
- 2.1.18 Solicitation of donations or sponsorships from any external individuals or companies with which the College has business dealings (such as suppliers, contractors, trading operators) is prohibited.
- 2.1.19 The acceptance of unsolicited donations or sponsorships from any supplier or contractor should only be in exceptional circumstances when there are compelling reasons, and the acceptance should be fully justified, documented, and approved by the Board in advance. In any event, the acceptance should not in any way give or be perceived to give the donor (or sponsor) an unfair commercial advantage over others in the same trade, industry, or profession.
- 2.1.20 The supervising teacher should disclose immediately to the College if there is any actual, potential, or perceived conflict of interest.
- 2.1.21 No proceeds of fundraising may be used to support staff or students' costs (such as travel or accommodation).
- 2.1.22 Under no circumstances may funds raised be used to purchase any personal items for College staff or students.
- 2.1.23 Any fundraising money received cannot be given as a donation to a third party if the original money was a donation to the College in the name of LPCUWC. However, donations made out to the name of the beneficiary, not the College may be forwarded though the College.
- 2.1.24 If the fundraising activity is held to support another organization which is not an approved charitable institution or not specifically approved by EDB, then

approval for the fundraising cannot be considered until written permission from the EDB has been obtained. It should be noted that all registered charities in Hong Kong are EDB-approved charitable institutions.

- 2.1.25 Within 14 days of the completion of the fundraising, the supervising teacher should provide a signed income and expenditure statement to the Accounts Office, and in the interests of transparency, also place a copy of the same financial statement on Haiku with an additional copy on the College's website as a convenient way to keep parents informed as required by EDB regulations.
- 2.1.26 If a cash advance is required to support the purchase of merchandise for sale, separate approval by the Board may be needed, together with the cash flow projection.
- 2.1.27 Funds raised should be utilized according to the time frame specified in the original proposal. If this is not possible, then special approval should be gained from the Principal for an alternative time frame.
- 2.1.28 Students and staff may be involved in supporting other (external) groups fundraising as approved by the EDB.
- 2.1.29 Risk assessment procedures may be required for fundraising events involving any risk to health and safety (e.g., 24 Hour Race).
- 2.1.30 Fundraising should be consistent with and follow the procedures described in Section 3 of this Policy.

### **3. OPERATIONAL PROCEDURES**

- 3.1 An annual fundraising program showing the objectives of each activity should be developed for the endorsement of the Board each year. The programme would be organized each September. (The number of approved fundraising activities each year should be limited in order not to upset the balance of students' activities within the context of the IB program or divert their focus away from their studies.)
- 3.2 A budget and plan for each fundraising activity showing the estimated expenditure items and costs for the planned activity should be prepared and signed off by the supervising teacher and the Principal. The plan should also indicate the period that the project related to the activity should last. A ceiling should be set on the administrative expenditure which should not constitute a substantial proportion of the funds raised.
- 3.3 The supervising teacher should check with the Head of Administration whether the activity need any license or permit from government departments and strictly adhere to the stipulated conditions, if applicable. As noted above, if the activity is held to support other organizations which are not approved charitable institutions or not specifically approved by the EDB, written permission from the EDB should be obtained beforehand.
- 3.4 For types 3 and 4 fundraising for the purpose of raising funds for scholarships,

please also refer to the College Scholarship Fundraising Policy before submission. In such cases, the Director of EOTC will inform the Director of Development for their additional approval.

- 3.5 After the fundraising proposal has been approved by the principal, the supervising teacher should submit a copy of the budget and plan, together with the Principals' (and, if relevant, the Board's) approval to the Accounts Office within seven days for control purposes.
- 3.6 The Accounts Office should open a separate bank account for each fundraising activity and inform the supervising teacher of the account number for funds to be deposited. All money raised and spent should go through that particular account, not staff or student bank accounts. This should be done in batches to avoid excessive workload of the accounts staff.
- 3.7 Any publicity of fundraising activities on social media should be scrutinized and approved by the Principal and/or Director of EOTC and in the case of fundraising for scholarships, by the Director of Development prior to publication.
- 3.8 Letters seeking financial donations must be approved and countersigned by the Principal and the following information should be made known to the public or prospective donors in the fundraising publicity materials:
  - our College's name.
  - a description of the fundraising activity and its objectives (fundraising for staff expenses, if applicable, should especially be identified to potential donors).
  - a telephone number or a website address for enquiries.
  - the methods of making donations.
  - whether or not donations are tax deductible, if applicable.
  - official receipts will be issued; and
  - details of the contractors or agents authorized to collect funds on behalf of our College, if applicable.Receipts which are pre-numbered will be issued by the Accounts Department after the clearance of the cheque and the receipt of the pay-in slip containing the payment details from the donor. The receipt must be signed-off by the Principal.
- 3.9 When making purchases of goods and services for the fundraising activities, the College's Procurement Policies and Procedures should be followed.
- 3.10 According to the Guidance Note on Internal Financial Controls for Charitable Fund-raising Activities, payment claims, or reimbursement of expenses should only be made upon presentation of original invoices or proper receipts. To avoid exposing teachers to the risk of handling of the excessive cash, cash advances will not be given to teachers unless exceptionally approved by the Principal. Official receipts/invoices must be provided after the event. In cases when proper receipts/invoices are not given to the Accounts Office, the teacher-in-charge should certify on the expenses breakdown that the amount was spent and the breakdown should be countersigned by one other adult who was in the same activity group. The supervising teacher should state the reason for the lack of receipts on the breakdown and the breakdown must be approved by the Principal.

- 3.11 If collectors are employed, then to conform to the Best Practice Checklist on Management of Charities and Fund-Raising Activities issued by the ICAC, close attention should be paid to the security of collection bags and boxes, the security of collection boxes at fixed locations and the counting of cash donations. Collection boxes should be opened and counted in the presence of three persons, one being the supervising teacher. The cash counted should be checked and verified by the supervising teacher. All three people need to sign on the count sheet.
- 3.12 If donations in kind are received, the supervising teacher should maintain a register of them, showing the donor's name, date of receipt, description of the donated item, quantity, estimated value, if applicable, method of disposal (e.g. by auction) and the proceeds received.
- 3.13 The supervising teacher should provide details of the donor and the respective bank pay-in slip to the Accounts Office so that receipts can be issued, and records kept for reconciliation purposes and future audit.
- 3.14 As a learning process, and to avoid imposing excessive workload on teachers, students should be encouraged to prepare the financial statements in the format prescribed by EDB and the supporting documents (including pre-numbered stubs for raffle tickets, game coupons and lucky draw tickets, list of donors and their respective donation amounts, receipts, invoices and quotations for the items purchased) for their fundraising projects, under the guidance of the supervising teacher, before submitting them (after the teacher's checking) to the Principal for approval and then to the Accounts Office.
- 3.15 Fundraising Forms by staff or student proposers must be submitted by the end of September (special unanticipated fundraising requests through the year is at the discretion of the Principal) including:
- The purpose of the fundraising
  - The period during which fundraising will occur
  - The target audience and, if appropriate, the venue of the fundraising
  - The anticipated income and expenses of the project
  - The beneficiaries of the fundraising
  - The names of all students and teachers involved in the project, and the responsibilities of each
  - Any other permissions that are required before the fundraising can begin.
  - Specific details of how the proposed fundraising is to be undertaken
  - Any other information that may be relevant to the proposal.
  - If expenditure is required to conduct a fundraising event, as outlined in above, the proposer of the event must provide evidence that the amount of expenditure has been underwritten so that the College is protected from incurring any losses. Evidence of underwriting must be provided before the proposal can be approved by the Principal.



**4. EFFECTIVE DATE**

- 4.1 This policy will be posted in a public place, such as on the College's website.
- 4.2 This policy was approved by the Board on 28 April 2022 and replaces the previous edition of the Policy dated 6<sup>th</sup> May 2011.
- 4.3 This policy will be reviewed by March 2027 or as necessary.