

# Raising Money from the Public

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For some voluntary or community organisations, good old fashioned fundraising from the public provides an ideal source of income. Depending how you ask for the money, funds raised this way can be *unrestricted* meaning you don't have to spend them on specified things. Fundraising can also bring other benefits, such as attracting volunteers, members and supporters; raising the profile of your organisation; and can be carried out alongside some of your other activities.

Different fundraising methods require different legal and regulatory considerations, so it is vital that your group is clear what these are when planning any fundraising. This briefing aims to provide a simple at-a-glance checklist covering some of the common fundraising methods, to help you ensure that your fundraising is properly planned and complies with the law and best practice, and it points you to sources of guidance and information.

## Key

- 📄 A license, permit or similar will be required
- 📄 You should check and take advice about whether you will need a license or permit
- 👉 No license required. But you still need to comply with other legal and regulatory requirements.

## 📄 Street Collections/flag days \*

Sometimes called “Tin Shaking”, collecting money from passers-by in public places requires a license from the Local Authority. Local rules and requirements may vary. Contact the licensing section of your local council well in advance (i.e. more than a month ahead) to find out. If collecting in more than one local authority area, a license from each authority is required.

You should use sealed and numbered collecting tins or buckets, collectors should be briefed and badged. Carry out risk assessments to ensure the safety of collectors and passers-by and to safeguard the money. Check with police/traffic wardens if the collection will involve any activity that might cause an obstruction or intrude on the highway (for example parades / vehicles / activities to attract attention etc).

- *Institute of Fundraising Code of Practice on Handling of Cash Donations*

## 👉 Collections on private property

This could include collections on the forecourt of a big supermarket, sometimes accompanied by bag-packing or singing etc, or holding a fundraiser in a pub or even in your own home. A license is not necessary, however you must have permission from the owner or manager of the private property. You should use sealed and numbered collecting tins or buckets if you are collecting from the public, and carry out risk assessments to ensure the safety of collectors and passers-by. You need no license to collect for charity in your own home.

- *Institute of Fundraising Code of Practice on Handling of Cash Donations*

## House to House collections \*

Collectors go from house to house to collect money or goods from residents, or door to door at other private premises e.g. business to business, pub crawls.

House to House collections require a License or Exemption Certificate from the Local Authority. Local rules and requirements may vary. Contact the licensing section of your local council well in advance (i.e. more than a month ahead) to find out. If collecting in more than one local authority area, a License or Exemption Certificate from each authority is required. You must use sealed and numbered collecting tins or buckets for money. You must NOT use envelopes unless you are collecting as part of a big national collection for a charity which holds an Exemption Order from the Cabinet Office. Carry out risk assessments to ensure the safety of collectors. Check with police/traffic wardens if collection will involve anything that might cause an obstruction or intrude on the highway (e.g. carol singing nights).

- *Institute of Fundraising Code of Practice on Handling of Cash Donations*
- *Institute of Fundraising Code of Practice on House to House Collections*

\* The rules for licensing public collections are to change. The Charities Act 2006 introduces a new licensing scheme to be run by the Charity Commission. This is expected in 2010 or later.

## Lotteries and Raffles

There are restrictions about running Lotteries. If you are planning any games of chance as a fundraiser, it is essential that you check with the Licensing Authority or the Gambling Commission to see whether your activity is a Lottery.

*Incidental Non-Commercial Lotteries* – i.e. small raffles or other forms of draw such as tombolas that take place as an incidental part of a bigger event and only involve the people present, with winners drawn on the day. These don't require a license.

*Private Lotteries* – e.g. sweepstakes, 100 Clubs etc which only take place within members of a society or club or workplace for example, and all the proceeds are paid in prizes or to the charitable cause. These don't require a license.

*Society Lotteries* – printed tickets are sold to the public. You need to check the restrictions and rules about running Society Lotteries. *Small Society Lotteries* (i.e. where the value of tickets sold in one lottery will not be more than £20,000, or more than £250,000 over a year from all lotteries run) must register with the Local Licensing Authority. Large Society Lotteries are lotteries where the value of tickets sold will exceed £20,000 or £250,000 in a calendar year from all lotteries run. Large Society Lotteries must have a license from the Gambling Commission.

- *Institute of Fundraising Code of Practice Raffles and Lotteries*
- *Hull CVS Factsheet: Lotteries and the Law from [www.hullcvs.org.uk](http://www.hullcvs.org.uk)*

- *Information and guidance from The Gambling Commission at [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)*

## Prize Competitions and Free Draws

Prize Competitions must require participants to exercise an element of skill, judgment or knowledge. There must be no element of chance in winning. Free Draws must be Free otherwise they will in fact be lotteries. As long as these are genuinely competitions or free draws, then they do not require a license.

- *Institute of Fundraising Code of Practice Raffles and Lotteries*
- *Running prize competitions and free draws.*
- *Prize competitions and free draws: The requirements of the Gambling Act 2005. Both free to download from [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk).*
- *Community Matters publish a factsheet on the Gambling Act 2005 which costs £1.50 from [www.communitymatters.org.uk](http://www.communitymatters.org.uk)*

## Car Boot Sales / Jumble Sales / Charity Shops

A license will be required if you will be collecting donated goods door to door. Otherwise no license is required for occasional sales. However if you will be carrying out regular sales you should check whether you need a *Second Hand Goods License* from the Local Authority. You must also comply with Trading Standards and have due regard for safety – e.g. you must ensure that nothing you sell poses a risk to health and safety, for example children’s toys; electrical goods and furniture that do not comply with safety regulations, and copyright (e.g. pirated goods).

- *The Association of Charity Shops offers some guidance on selling second hand goods, and trading standards [www.charityshops.org.uk](http://www.charityshops.org.uk)*

## Bingo

Bingo is a form of Gaming. Gaming is when money or some other item of value is staked against the outcome. Occasional gaming to fundraise will not require an Operating License.

- *The Gambling Commission [www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)*
- *Community Matters publish a factsheet on Bingo which costs £1.50 from [www.communitymatters.org.uk](http://www.communitymatters.org.uk)*

## Further information and Reading List.

*The Fundraisers’ Guide to the Law* (2000), Bates, Wells and Braithwaite and Centre for Voluntary Sector Development. Published by the Directory of Social Change. ISBN 1 900360 78 0.

*CC20: Charities and Fundraising.* Charity Commission. Free to download from [www.charity-commission.gov.uk](http://www.charity-commission.gov.uk).

*The Russell-Cooke Voluntary Sector Legal Handbook 3rd Ed* (2009) Chapter 5: Funding and Fundraising. Published by the Directory of Social Change. ISBN 978 1 903991 87 9

*Trustees' Guide to Fundraising* (2007). Institute of Fundraising. ISBN 978 1 874541 06 6 Free to download from [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk) follow the links to Information about Fundraising.

*The Good Fundraising Guide: where to start.* (2006), Institute of Fundraising. ISBN 978 1 874541 03 5.

*The Institute of Fundraising Codes of Fundraising Practice* cover a range of fundraising issues including those mentioned in this information sheet. They also publish some information on fundraising, and offer training. Go to [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk) or phone 020 7840 1000.

*Community Matters* publish a range of information sheets on various topics including some fundraising topics which are free to members, otherwise cost £1.50. [www.communitymatters.org.uk](http://www.communitymatters.org.uk)

*The Voluntary Arts Network* publish factsheets on running events, and risk assessments. Go to [www.voluntaryarts.org.uk](http://www.voluntaryarts.org.uk)

*The Directory of Social Change* publishes a range of other titles on fundraising and fundraising methods, and runs training courses on fundraising. Go to [www.dsc.org.uk](http://www.dsc.org.uk) or phone 020 7391 4800 for training or 08450 77 77 07 for publications

[www.how2fundraise.org.uk](http://www.how2fundraise.org.uk) is a website run by the Institute of Fundraising. It offers information, guidance and ideas to anyone engaged in voluntary or community fundraising. Registration on the site is free.

*The Fundraising Standards Board* runs the self-regulation of fundraising in the UK. Membership is currently voluntary, members must sign up to the Fundraising Promise, comply with the Institute of Fundraising Codes of Practice, and may use the Fundraising Standards Board Tick Logo on fundraising materials and letterheads as an indication to the public that they can “give with confidence”. Go to [www.frsb.org.uk](http://www.frsb.org.uk) or phone 0845 402 5442.

March 2010

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