

Sharing Best Practice
Wednesday 11th November 2020

Fundraising during lockdown & on-line giving
a question and answer session

Guest speaker: Andrew Rainsford from ACAT (Association of Church Accountants & Treasurers)

Andrew gave a brief summary of his expertise and experience in working with churches over the last 25 years. Andrew has experience in both fundraising and planned giving and also helps churches obtain funding from external grant making bodies.

There is a difference between fundraising and planned proportionate giving.

Fundraising – this is when you go outside the Church to try and raise funding.

Planned Proportionate Giving – this is taking our own responsibility to fund the mission of God seriously

Fundraising – if we go outside the Church to raise funds, it is important to communicate what we are doing and why we are doing it. It is important to communicate what we hope to achieve and we need to recognise that there are different audiences and therefore nuances applications. An example of this is a Christian Development charity working in Kenya. The charity can make grant applications to bodies, which fund Christian work. It can also apply to those that fund Overseas Development. The charity also works with oppressed women so can apply to bodies funding women's projects. It also does some work on anti-deforestation so can apply to environmental charities. The work is the same, but nuances of funding applications and nuances of communication are different.

A project to upgrade a kitchen is not just a kitchen upgrade. It is about being able to address food poverty in an area, it is also about being able to provide a socially distanced meeting space, and it's about being able to provide hot lunches for the lonely and the isolated. We need to look at what projects do as well as what they are – if we get that right then external bodies will be minded to support but they need to make sure we are taking our own responsibilities seriously as well.

If we take our own response to God seriously, we will be setting aside a proportion of our income and giving it on a regular basis. We will be putting God first in our budget with first meaning first not necessarily most. In practical terms this means if our pension arrives on 15th month then that is the day our standing order goes out to the Church. If our salary arrives on 30th, then that is the day our standing order goes out to the Church. Putting God first in our budget. Giving regularly helps treasurers but it also introduces an element of discipline into our discipleship when it relates to our finances. Giving by standing order enables Gift Aid to be claimed on a regular basis as there is an audit trail.

Note that the Gift Aid Small Donations can only be claimed on cash or contactless donations up to £30. Unfortunately, it cannot be claimed on standing orders.

Question: My Church is not using contactless payments because of a lack of internet connexion/wifi on the Church premises. How do I get around this?

Answer: There are providers which supply terminals on which the data can be stored safely and then downloaded later when you have a connexion – one such example is Data Development.

A cheaper option is I-zettle. This tethers to a mobile phone. Terminals costs approx £25. There is no monthly rental but there is a transaction fee.

Sumup is another provider.

<http://parishresources.co.uk/> is a website that gives other information.

Question: some of our members, particularly older members, are concerned that using electronic methods are not safe and fear of fraud. How can we reassure our members?

Answer: fear is reducing as people become more familiar with contactless payments. During lockdown, many businesses are no longer accepting cash and are encouraging the use of contactless. There is more concern about internet fraud. Suggest using sites such as Justgiving <https://www.justgiving.com/> or Localgiving <https://localgiving.org/> . They are both highly regarded, are very secure and have good antifraud measures in place. Issues come when people try to use their own software or go for a cheap option. It is worth spending money with a company with a high reputation.

Another site churches use is Give.net through Stewardship <https://www.give.net/>

Give.net has a good reputation but not the same brand awareness as Justgiving. Would be inclined to go with a better known brand.

Also worth noting that Methodist Church has an arrangement with Dona (contactless & online donations) <https://www.methodist.org.uk/for-churches/finance/webpage-for-online-donations/>

Question: Does Justgiving take a percentage? I have heard people complain about this.

Answer: Yes they do - but if they don't take something the company will not last. Examples of organisations offering a free platform who have not lasted are Virgin giving. The free service offered by BT has closed down. Justgiving has removed its monthly fee. Localgiving charges annual fees but lower transaction fee.

Advantage of online giving is that they will handle the gift aid for you provided the donor fills in the form and ticks the box. You will receive 2 payments - initial donation and then 3 weeks later the gift aid. This reduces admin for Treasurers and if we can reduce admin functions then it frees up time for mission functions.

You can zero Justgiving's charge. You can set Justgiving so the donor pays the transaction fee.

There are now many providers and this further indicates that there is greater customer acceptance of contactless payments, contactless donations and online donations.

Question: There are ways to get around technical issues but we have a problem in many of the churches which is a culture of suspicion around electronic banking and payments. It is hard work get people to understand how secure it is and the advantages. What can we be doing to challenge this culture and help people to move forward to and embrace electronic payments?

Answer: Preach and teach once a year on financial giving as part of Discipleship ... not more.

Discipleship impacts on all of my life including finance.

Talk about **Planned Giving** - helps to put God first.

Proportionate Giving – recognising those who are better off should be giving more. Don't like talking about tithing for some people a tithe is not enough i.e. a chief executive been paid enormous amount even with a tithe at his church would still leave him with a lot of money.

Personal giving – encouraging a personal response to God.

Prayerful giving – encouraging people to pray about it when they review it.

4 PGs - can talk about PG tips

Preaching and teaching can help our members review not only the what and the why, but also to explore the how. Most people live with at least one transaction going through their account each month.

Question: Can you give further pointers regarding online giving?

Answer: Online giving enables a personal response, a proportionate response, a planned response and prayerful response.

If a church put a collection plate or bag they can give out tokens to place on the plate if people are embarrassed about not putting something on the collection plate. It takes time. If you do not start you won't progress and need to remember that people travel at different speeds.

Question: A previous circuit used to make electronic payments. My new circuit does not do this and just say they cannot do online payments and I do not understand why.

Answer: This may be an issue regarding rules about payment having to be done by 2 people and some banks can only do electronic payments with 1 authorisation. There are some banks which require 2 authorisations such as CAF & Barclays and so fit in with the rules.

If payments going out are working fine then they may look at this more favourably or you could try by encouraging payments in electronically and when the leadership team see that it is working well they may move to electronic payments.

It is possible that banks will start charging more for processing cheques than electronic transactions. There will be suppliers which will stop accepting cheques because of bank charges and delays in cheques clearing.

Question: We looked into opening an account with CAF. It is very complicated. I do not understand why.

Answer: It complicated to change bank accounts due to money laundering regulations. You will be required to provide proof of identity of trustees when opening a bank account.

You need to provide for all trustees not just signatories because signatories are acting on behalf of the trustees and under delegated instructions.

Question: My Church is reluctant to get its own charity number. It is currently using the central number for Gift aid purposes. I understand that if we set up a Justgiving page it will be difficult to get the claim the Gift Aid.

Answer: Church is an exempted charity. This needs to be communicated to Justgiving. They are familiar with exempted charity as there are many charities, not just churches, who use Justgiving and

other online donation bodies such as Stewardship (Give.net). May need to speak to the helpline rather than register on-line to ensure that this is communicated.

Note that charitable exemptions are scheduled to finish end of year. It may be extended because of Covid but not clear at the present time.

Question: If people bundle several weeks of their offering together and it came to more than £30 would HMRC allow this to be claimed under the Gift Aid Small Donations Scheme during the Covid 19 pandemic. I thought I had read this somewhere.

Answer: Not aware of this. HMRC usually count on date the donation is given not the date of intention. Need to check the HMRC website. [<https://www.charitytaxgroup.org.uk/news-post/2020/operation-gift-aid-small-donations-scheme-gasds-covid/>]

Question: How do we find out about grant making bodies?

Answer: This varies from place to place. Some examples are:

London Funders

London Community foundation

Mayor of London has funds

London coronavirus response fund

Directory of Social Change publishes a book of grant making trusts which you can buy. They also have an online facility for searching possible funds for which you pay an annual fee.

Grants Online (yearly fee)

Each of the London boroughs have something which may be called something like Ealing Community Funding or Barnet Community Funding

There are people who will work for a fee and help you find potential grant making bodies and make applications etc. (Andrew does this as well). Andrew explained how this typically works.

Reminder: The Methodist Church has block membership to ACAT through which you can access their resources. <https://www.acat.uk.com/>