

Lions Australia Policy on Telemarketing

1. TELEMARKETING

1.1. PREAMBLE

Council has adopted the guidelines suggested by Lions Clubs International for Clubs or Districts dealing with a professional fundraiser, viz:

1.2. FIDUCIARY DUTIES OF LIONS CLUBS AND DISTRICTS IN HIRING A PROFESSIONAL FUNDRAISER (PFR)

1.2.1 A Lions organisation, by hiring a professional fundraiser (PFR) to solicit and collect contributions, is delegating fiduciary duties and responsibility. The organisation's officers have responsibility in contracting with a PFR to ensure the PFR acts and accounts for funds appropriately. While Club or District officers cannot be expected to guarantee appropriate behaviour by a PFR, it remains that certain steps can be taken to tighten oversight and assure the Club or District of its rightful net contributions share of donated funds as well as compliance with the Association's policies and local legal requirements.

1.3. SUGGESTED ELEMENTS OF A PROFESSIONAL FUNDRAISER CONTRACT

1.3.1 Contracts between Lions Clubs/Districts and professional fundraisers should be drawn in such a way as to permit the Club or District to know what the PFR is raising on its behalf (i.e., how much money periodically), how it is raising the money (i.e., what its pitches and promises to donors are and what inducements are being used), and how the gross amount raised is translating into the net amount the Club or District will receive (i.e., how the PFR is calculating its billings, and what its expenses and profit-margin fairly ought to be). The Club/District should not simply delegate everything to the PFR, but should have some way of knowing what the PFR is doing so that it can fulfil its fiduciary oversight duty as a curator of charitable assets and ensure that things do not get out of control.

1.3.2 Fundraising contracts should specifically provide at a minimum:

- (a) The amount of all commissions, salary and fees charged by the PFR and its solicitors, agents and employees, and the method used for computing such;
- (b) A good-faith estimated budget disclosing, within reason, the target amount of funds to be raised over the contract period, the type and amount of projected expenses related thereto, and the amount projected to be paid to the Club/District. If the PFR is to be paid an hourly rate, this rate as well as the estimated number of hours to be spent raising funds should be disclosed. If the PFR is to retain or be paid a percentage of the gross amount raised, this percentage and the target gross amount should be disclosed, as well as the amount projected to go to the Club/District;
- (c) A notation revealing that the PFR, its agents, solicitors or employees, or members of their families have a financial interest in or are a supplier of fundraising goods or services if such is the case, along with a statement of

Revision No.	1.0	Relates to:	Telemarketing
Revision Date	16 October 2014	Applies to	Clubs
Author	Rob Oerlemans	Authorised by	Executive Officer

Lions Australia Policy on Telemarketing

the nature of the financial interest and of the method by which the supplier's or vendor's charges are determined;

- (d) A written text of all solicitation pitches that are projected for dissemination to potential donors, once they are developed;
- (e) A written text of all advertising and solicitation materials that will be given to potential donors as part of the solicitation pitch, once they are developed, along with a recitation in the contract that a majority of the sponsor Lions' Board and if required the Association's General Counsel, by Board policy governing use of the Lions' marks, have approved the inclusion of those materials;

- 1.3.3 The fundraising contract should be circulated and reviewed by a majority of the Club's Board accompanied by the signature of the Club President, or responsible Board Member;
- 1.3.4 The contract should have geographical constraints consistent with the Club boundaries and/or areas where a Club has obtained express consent for the solicitation;
- 1.3.5 There should be a time limit affixed to the campaign;
- 1.3.6 Periodic progress reports and periodic accountings ought to be required and made in writing by the PFR;
- 1.3.7 The PFR should be prohibited from negotiating cheques made payable to the Club or District;
- 1.3.8 A list of PFR solicitors should be given to the Club/District;
- 1.3.9 The PFR should be required to give numbered receipts to all donors;
- 1.3.10 The contract should require the PFR to give to the Lions Club/District the name, address and amount donated of each donor; and
- 1.3.11 A contract should consider various splits and rates depending on what amount is attained; windfall PFR profits to fundraisers from exceptions results, should not be allowed.

1.4. BARGAINING WITH PFR

- 1.4.1 A Club's or District's officers should ask questions and know the full details of the fundraising campaign plan and strategy, the who, what, where, when and how of the matter;
- 1.4.2 Before signing the contract, the rate of percentage charged should be viewed carefully for fairness; what kind of profit will the PFR make; for example, if the campaign's goal is to raise \$100,000 gross, the PFR should be able to estimate his costs and profits; if he cannot, then what is he being paid for should be asked; another PFR should be consulted; the National Coordinators should discuss alternatives and details, do not assume it will all work out; and
- 1.4.3 Any prospective PFR should have references, check them out; also obtain financial information from the PFR, other charities or the Attorney-General's office to review the PFR past track records and success; do not just take telephone comments as true; what did he raise, what profit did he have and what did the charity receive.

Revision No.	1.0	Relates to:	Telemarketing
Revision Date	16 October 2014	Applies to	Clubs
Author	Rob Oerlemans	Authorised by	Executive Officer

Lions Australia Policy on Telemarketing

1.5. RUNNING A PROJECT

- 1.5.1 The Club or District should have responsible dedicated people from it monitoring all aspects of a PFR's campaign; know who, what, where, when and how things are progressing;
- 1.5.2 The bank account should be identified and disbursement should require the Club or District Officer's signature;
- 1.5.3 Timely, constant and periodic financial reports, even if preliminary, are critical;
- 1.5.4 A Club or District Committee and/or officers should be involved and the PFR should be held to explain the results, goals and progress at periodic dates and time;
- 1.5.5 Board minutes should be maintained and discussion had about the goals and results for future Board consideration.

The following was adopted at the 2003 Multiple District Convention held in Hobart

- 1.5.6 If a Club embarks on a telemarketing program outside its own boundaries it must:
 - (a) obtain the prior written consent of:-
 - (i) the District Governor of the District in which such Club is situated.
 - (ii) the District Governor of any other District in which the program is to be conducted and
 - (iii) the Club or Clubs within whose boundaries the program is to be conducted.
 - (b) inform in writing the parties referred to in subclause (a), at the time of seeking such approval of:-
 - (i) the intended recipient of funds to be raised by the program.
 - (ii) the name and address of the intended professional fundraiser.
 - (iii) the dates during which the program is to be conducted and
 - (iv)) the text of all solicitation pitches to potential donors.
- 1.5.7 If a Club embarks in a telemarketing program within its own boundaries it must:-
 - (a) obtain the prior written consent of:-
 - (i) the District Governor of the District in which such Club is situated.
 - (b) inform in writing the District Governor at the time of seeking such approval of the matters referred to in Clause (A) (b) abovementioned.
- 1.5.8 If a District embarks on a telemarketing program outside its own boundaries it must:
 - (a) obtain prior written consent of:-
 - (i) the District Governor of that District
 - (ii) the District Governor of any other District in which the program is to be conducted.
 - (b) inform in writing the parties referred to in subclause (a) at the time of seeking such approval of the matters referred to in Clause A (b) abovementioned.

Revision No.	1.0	Relates to:	Telemarketing
Revision Date	16 October 2014	Applies to	Clubs
Author	Rob Oerlemans	Authorised by	Executive Officer

Lions Australia Policy on Telemarketing

1.5.9 The wilful failure or neglect of any Club or District to observe the provisions hereinbefore set out shall be deemed to constitute a breach of its obligations to the International Association of Lions Clubs."

The following was resolved at the May 2003 Meeting:

1.5.10 For the purposes of the Guidelines relating to telemarketing activities within the Multiple District:

- (a) "Telemarketing" shall be deemed to mean engaging in an activity to solicit monies in the name or on behalf of Lions from the general public by means of telephonic communication on the basis that part of the monies raised is retained by the fund raising entity as a commission or fee.
- (b) The boundaries of a Club shall be deemed to mean the local government or other geographical area in which the Club regularly conducts its activities (other than any telemarketing activity).
- (c) A District Governor shall not withhold consent to the conduct of a telemarketing program if:
 - (i) The program is to be conducted solely within the Club boundaries and no other Club shares the same or part of the same area within its boundaries;
 - (ii) The program is to be conducted in an area or part of an area falling within the boundaries of another Club and such Club has previously consented in writing to the program;
 - (iii) The conduct of the program has previously been endorsed by resolution of a District Convention or District Cabinet of the District in which the program is to be conducted.
- (d) A District Governor may give consent to the conduct of the program subject to any condition or conditions thought to be necessary in all the circumstances.

Revision No.	1.0	Relates to:	Telemarketing
Revision Date	16 October 2014	Applies to	Clubs
Author	Rob Oerlemans	Authorised by	Executive Officer