



Charitable collections

Fundraising using an existing licence

The Charitable Collections Act 1946 gives a licensed organisation the right to grant authority to another group to collect money and goods under their licence.

Organisations must have a licence to collect money for charitable purposes. However, it is possible to lawfully collect for charitable purposes without such a licence if an existing licence holder grants authority.

Having this authority is useful when an individual or group conducts a one off or short term appeal; or is unable to obtain a licence in their own right.

What this means for the licensed organisation

To make sure your organisation's reputation is protected, it is important to carefully consider granting authority to another party to operate under your licence.

There is no prescribed format for giving authority under the *Charitable Collections Act 1946* however it is advisable to prepare a written agreement to be signed by both parties.

In preparing an agreement consider the following issues:

- the period of time for which authority will be given;
- the types of collection activities to be undertaken;
- ensuring all monies collected are paid to the licence holder within 14 days;
- how collection and financial returns will be reported back to the licence holder;
- the terms under which the fundraiser has the right to use the licence holder's name; and
- the circumstances under which the agreement may be terminated and the procedures to be followed for termination.

Guidance Pack for Fundraisers

To assist licence holders, the department has developed a Guidance Pack for Fundraisers. This pack includes an application form, an acknowledgement letter and a financial reporting statement.

These documents are intended as a guide and licence holders may choose to develop their own documentation or adopt the model application. The pack can be downloaded in Microsoft Word and PDF formats from www.dmirs.wa.gov.au/charities

How are the collected monies accounted for?

Under the Charitable Collections Regulations 1947 monies collected under the authority of a licensed organisation must be deposited into the licence holder's accounts within 14 days of being collected. In line with the terms of the agreement the licence holder will then transfer the funds to the charitable cause.

The income and expenditure associated with an authorised collection must be reported in the licence holder's financial records and annual statements.

Terminating the agreement

It is recommended that the process for terminating an authority to fundraise should be clearly outlined in the agreement between the parties. It would be advisable to terminate an agreement in writing. Once the authority has been revoked there should be actions to ensure that no further fundraising is done.

Section 9 of the *Charitable Collections Act 1946* requires all money, books, vouchers and items held or controlled because of the granted authority, must be returned to the licence holder within seven days after a written termination notice.

Fundraising under the authority of a licence holder

When seeking to fundraise under the authority of an existing licence holder you should be mindful that the licensed organisation is not obliged to grant your request.

When making a request it is advisable to outline the purposes for which the funds will be collected and provide a plan:

- explaining how these objectives will be achieved; and
- detailing what activities are proposed to achieve your objectives.

Where authority has been granted you must ensure that all advertising and promotional material clearly states that money and goods are being collected under the authority of the licensed organisation.

Please note that it is an offence to collect money or goods from the public for charitable purposes without a charitable collections licence or the authority of an existing licence holder. If you are unable to obtain a licence or authority to fundraise you should not proceed with your proposed collection or fundraising activity.

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