



FUNDRAISING POLICY

Updated: August 2021
Approved: August 2021
Effective: August 2021
Date To Be Reviewed: August 2021

©Copyright SINGAPORE SWIMMING ASSOCIATION

TABLE OF CONTENTS

Contents

1. Introduction	3
2. Scope.....	3
3. Definitions	3
4. Fundraising Guidelines	3
5. Duty To Donors.....	4
6. Fundraising – Restricted vs Unrestricted Funds	4
7. Public Fundraising	4
8. Use of Pledge Cards.....	5
9. Use of Commercial Fundraisers	5
10. Fundraising Efficiency Ratio – 30/70 Rule	6
11. Tax-Deductible/Non-Tax Deductible Donations	6
11.1 Tax-Deductible Donations	6
11.2 Non-Tax-Deductible Donations	9
12. Donations and Claiming Tax Deduction	9
12.1 Cash/Cheque/GIRO Donations	9
12.2 Donations by Individuals via Payroll	9
12.3 Anonymous Donors	9
13. Amount of Tax Deduction.....	9
14. Maintenance of Accounting Records and Disclosure of Information.....	10
15. Privacy Statement	10

1. Introduction

The Singapore Swimming Association (SSA) is a registered charity with Institute of Public Character (IPC) status. The Executive Committee (EXCO) and staff are committed to ensuring fundraising activities are carried out in an ethical manner and providing reassurance and transparency to our donors.

2. Scope

This Policy sets out the general guidelines for fundraising activities by SSA and how donations are to be managed, ensuring compliance with legal or regulatory requirements. This Policy is applicable to all Representatives who raises funds for the Association through private, corporate, public or other sources.

3. Definitions

Beneficiary means the recipient area (eg. OTSF Fund) which will receive the benefits from a donation.

Donation means a voluntary transfer of money or property to SSA by way of benefaction where no material benefit is received by the donor from SSA in return.

Donation in-kind means a donation other than a donation of money — e.g. goods, services, or property.

Donor means any person or organisation making a donation to SSA.

Fundraising Activity means all activities undertaken by or on behalf of the Association with the aim of soliciting or receiving donations.

Pledge means a documented commitment to make a donation within a specified period of time.

Recognition means actions taken by SSA to recognise the generosity of donors, individually or collectively.

Representatives refer to Executive Committee Members, staff, volunteers and all other individuals representing or acting on behalf of the Association.

Sponsorship means a transfer of money or property to SSA in a transaction where the sponsor receives certain specified material benefits in return.

4. Fundraising Guidelines

The EXCO, staff and any fundraising committee shall ensure that:

- Representatives raising funds for the Association shall always act with fairness, honesty integrity and openness.
- Fundraising activities carried out by the Associations will comply with laws and regulations in Singapore.
- Representatives shall not exploit their position for personal gain.

- Nobody directly or indirectly employed by or volunteering for SSA shall accept commissions, bonuses or payments for fundraising activities on behalf of the organisation.
- A Fundraising Sub-Committee may be formed to carry out the major fundraising tasks. The Sub-Committee will report regularly to the EXCO, including tabling of meeting minutes at EXCO meetings.
- All fundraising activities must have the prior approval of the EXCO, as recorded in meeting minutes.
- Fundraising activities should not be undertaken if they may be detrimental to the good name or community standing of SSA.
- Financial contributions will only be accepted from companies, organisations and individuals the EXCO considers ethical. Companies and organisations specifically excluded from making financial contributions to the Association include gambling/tobacco/alcohol companies.

5. Duty To Donors

It is the duty of SSA to ensure:

- That any information provided to donors or to the general public is accurate and not misleading.
- To disclose the name of SSA, intended use of funds raised (includes the cause and/or beneficiaries if applicable) and whether any commercial fund-raiser has been engaged in soliciting the donation.
- That donors have the right to obtain complete and timely information on how their funds are used.

6. Fundraising – Restricted vs Unrestricted Funds

The Association shall conduct fundraising activities to garner donations towards its restricted funds. All monies raised for a particular fund shall be ringfenced and used for the specific purposes identified by that fund.

Any donations received that was not a result of any fundraising activities of the Association, and where the donor's intentions were not made known by the donor, shall be classified as unrestricted donations.

7. Public Fundraising

For public fundraising, SSA is required to apply for a fundraising permit from the Singapore Police Licensing Division. Below are activities that are considered as public fundraising:

- Selling of merchandise at public venue(s).
- Bazaar / carnival at public venue(s).
- Sales proceeds from selling of products through the organiser's stores/retail outlets.
- Charity Golf / Marathon which are opened to the public.
- Charity concert where the tickets are sold to the public.
- Charity dinner where the tickets are sold to the public.
- Art exhibition at public venue.

8. Use of Pledge Cards

The distribution and use of pledge cards shall be controlled very strictly.

All pledge cards shall include the following data:

- Serial No of the Pledge Card
- Full Name
- Contact number
- NRIC/FIN number
- Received date
- Amount Collected
- Donor Signatory
- QR Code for electronic donation

The following information shall be recorded to control the distribution of the pledge cards:

- Full name of POC
- Contact number
- Serial number of the pledge card(s) distributed
- Date of distribution
- Signature of POC and SSA Finance
- Serial number of the pledge card(s) returned
- Date of return
- Amount collected
- Signature of POC and SSA Finance

9. Use of Commercial Fundraisers

Where commercial fund-raisers are engaged for any fund-raising appeals, all donations received must be made directly to SSA. Any payment or reimbursement due to the commercial fund-raisers must be made by SSA separately and not offsetting the transaction balance.

All entities who wish to raise funds for SSA must have a written agreement with SSA before soliciting funds. The agreement with the charity must contain the following information:

- Place and date of appeal and fund-raising method;
- Percentage of proceeds to the charity;
- Name of the commercial fund-raiser or commercial participator, and its status as a commercial entity;
- Timeframe within which proceeds will go to the charity; and
- How the fund-raiser or participator's remuneration is calculated.
- All funds raised will be used for the purpose for which they were raised, and within a reasonable timeframe.
- Arrangement to solicit donations must have adequate control measures and safeguards to ensure proper accountability and to prevent any loss or theft of donations.

10. Fundraising Efficiency Ratio – 30/70 Rule

For all fundraising activities, SSA shall keep its fund-raising efficiency ratio below 30%, commonly known as the 30/70 rule. The fund-raising efficiency ratio is the total fund-raising expenses to the total gross receipts from fund-raising and sponsorships of the charity or IPC for that financial year.

For fund-raising done via sale of merchandise, only the net proceeds (i.e. the gross amount received from sale of merchandise less cost of relevant goods), will be treated as receipts. The cost of merchandise need not be included as part of fund-raising expenses.

Formula for computing Fund-raising Efficiency Ratio:

$$\frac{(E + S)}{(R + S)} \times 100\% \leq 30\%$$

"E" refers to the total expenses relating to fund-raising for the financial year, including Direct and material indirect expenses of any kind; and Payments made to commercial fund-raisers engaged by the Association, but excluding, in a case of the sale of goods by or on behalf of SSA for fund-raising (and not trading), the cost of the goods sold.

"R" refers to the total receipts from such sale (after excluding only the cost of the goods sold), in the case of sale of goods by or on behalf of SSA for fund-raising (and not trading); and the total gross receipts from any other fund-raising for that financial year.

"S" refers to Total amount of sponsorships in cash received by the Association relating to fund-raising for that financial year, conditioned upon the provision of direct or indirect commercial benefit to the sponsors; and Total cost or value of sponsored property, goods and services for which tax deduction receipts are issued relating to fund-raising for that financial year. "Sponsorship" in the 30/70 fund-raising efficiency ratio refers only to cash sponsorships that are conditioned upon the provision of direct or indirect commercial benefit to the sponsors and in-kind sponsorships where tax deduction receipts are issued.

11. Tax-Deductible/Non-Tax Deductible Donations

11.1 Tax-Deductible Donations

Under section 37(3) of the Income Tax Act, a tax deduction in respect of certain donations is granted. However, where the donor receives a benefit in return for the donation made, the tax deduction is only granted on the difference between the donation and the cost of benefit.

Similarly, for GST purpose, a donation is not subject to GST where the recipient of donation does not provide any benefit to the donor in return for the donation. Where the recipient of donation provides some benefits to the donor in return for a donation, all or part of the donation is considered to be payment in return for goods or services.

GST is to be accounted by the recipient of donation on such consideration if the recipient of donation is GST-registered.

The table below lists the common benefits given in return for donations, wherein IRAS will now deem the donations as pure donations.

Benefits	Whether Benefit is Considered to have a Commercial Value	Income Tax Treatment	GST Treatment
(a) Charity gala dinner (including incidental benefits*)	No	Tax deduction on the full amount donated is allowed to the donor.	No GST needs to be accounted by the recipient of donation.
(b) Charity show (including incidental benefits*)	No	Tax deduction on the full amount donated is allowed to the donor.	No GST needs to be accounted by the recipient of donation.
(c) Golf tournament (including incidental benefits*)	No	Tax deduction on the full amount donated is allowed to the donor.	No GST needs to be accounted by the recipient of donation.
(d) Not-intended-for-resale [^] complimentary tickets (e.g., Singapore Zoo, movies, seminars, performances, exhibitions)	No	Tax deduction on the full amount donated is allowed to the donor.	No GST needs to be accounted by the recipient of donation.
(e) Souvenir or gift (e.g. plaques, commemorative books)	No, except where such souvenir or gift is sold commercially. The souvenir or gift will not be considered as sold commercially if it: (a) is specially made for a particular fund raising event and not available for sale in the market; (b) bears the logo of the recipient of the donation or;	Tax deduction on the full amount donated is allowed to the donor. Where the souvenirs or gifts are commercially available, tax deduction on the difference between the amount donated and the price of the souvenir or gift is allowed to the donor.	No GST needs to be accounted by the recipient of donation. Where the souvenirs or gifts are commercially available, GST is to be accounted by the recipient of donation on the price of the souvenir or gift.

	(c) carries the fundraising message.		
--	--------------------------------------	--	--

For all other benefits given in return for donation, the current tax treatment of disallowing income tax deduction and imposing GST on the benefit accruing to the donor continues to be applicable. The table below lists some of these benefits (given 5 in return for a donation), and illustrates the current tax treatment for the circumstances.

Types of Benefits	Whether Benefit is Considered to have a Commercial Value	Income Tax Treatment	GST Treatment
(f) Advertising Space (separately priced with no donation component)	Yes	Not a bona fide donation. No tax deduction on any amount contributed is allowed to the donor	GST is to be accounted by the recipient of the contribution on the price of the advertising space.
(g) Advertising Space (made together with donations)^ ^refer to paragraph 6.7 for exceptions	Yes	Tax deduction on the difference between the amount donated and the price of the advertising space is allowed to the donor.	GST is to be accounted by the recipient of donation on the price of the advertising space.
(h) Goods offered at Charity auction	Yes	Tax deduction on the difference between the amount donated and the market value of the item being auctioned is allowed to the donor.	GST is to be accounted by the recipient of donation on the market value of the auctioned item.
(i) Sales of artefact (e.g. paintings)	Yes	Tax deduction on the difference between the amount donated and the market value of the artefact is allowed to the donor.	GST is to be accounted by the recipient of donation on the market value of the artefact.

An IPC or registered charity that merely acknowledges a donor for its donations will not be considered as having conferred a benefit to the donor. IRAS will consider an acknowledgement as such if all of the following conditions are satisfied:

- The acknowledgement is a display of the donor's logo and/or name on the IPCs' or charities' collaterals;

SINGAPORE SWIMMING ASSOCIATION

7 Stadium Drive #01-50, Singapore 397632, Phone: +65 6258 1011, Fax: 65 6258 4793

contact@swimming.org.sg <https://www.swimming.org.sg/>

- Accompanied with the words such as “with compliments from”/ “in acknowledgement of”/ “special thanks to”/ “with appreciation to”, or the equivalent, regardless of the size of the display;
- There are no comparative or qualitative descriptions, slogans, locations, contact details, or a description (including displays or visual depictions) of donor’s products or services; and
- There are no links or tags to donor’s website and social media platform e.g. Instagram/ Facebook/ Twitter/ LinkedIn.

11.2 Non-Tax-Deductible Donations

These donations are not tax deductible:

- Donations where the donor is essentially advertising at the SSA’s premise, event, or programme. Donors displaying their banners, products, or other collaterals at the premise, event, or programme to which it has donated is regarded as advertising or marketing expenses and not a donation; and
- Donations or gifts that are for a "foreign charitable purpose".

12. Donations and Claiming Tax Deduction

12.1 Cash/Cheque/GIRO Donations

All donors shall provide the following information to SSA at the point of donation in order to be eligible for tax-deduction:

- Name of individual or company
- NRIC/FIN/UEN number

SSA will submit the donors particulars to IRAS on an annual basis for the donation to be automatically included in the donor’s tax assessment.

12.2 Donations by Individuals via Payroll

If the donations to be deducted from the donor’s payroll and the donor’s employer are under the Auto-inclusion Scheme for Employment Income, the donation will also be included automatically in your tax assessment. If the donor’s employer is not under the Auto-inclusion Scheme for Employment Income, donor may make the donation claim in his/her own income tax form.

12.3 Anonymous Donors

Donors who wish to remain anonymous and do not wish to claim tax deduction are not required to provide their tax reference numbers. However, if donors subsequently wish to claim for tax deduction, they should provide their tax reference numbers to SSA. The Association would then resubmit the information to IRAS after verification.

13. Amount of Tax Deduction

To continue encouraging Singaporeans to give back to the community and to provide strong support for the charity sector, the Minister for Finance has announced in Budget 2021 that the 250% tax deduction for qualifying donations will be extended for another two years till 31 December 2023.

14. Maintenance of Accounting Records and Disclosure of Information

All accounting records relating to the fund-raising activities must be maintained for a minimum period of 5 years from the end of the financial year.

All personal information collected by SSA is confidential and is not for sale or to be given away or disclosed to any third party without consent.

SSA shall disclose in their financial statements the consolidated amount of donations received from the fund-raising appeals in the financial year.

15. Privacy Statement

The Association collects personal data about its members, employees, customers, business partners, sub-contractors, vendors and/or suppliers for specified purposes like provisioning of our services, conducting business activities, administering operations and complying with statutory regulations. In respect of any personal data (as defined in the Personal Data Protection Act 2012 of Singapore (“PDPA”) that you may provide or that we may collect in connection with the provision of services to you and to the extent that your consent is required under law, you agree and consent that we (together with our service providers and third parties appointed by us on your behalf) may collect, use, disclose and process such personal data for the purposes identified in our personal data policy, available at <https://www.swimming.org.sg/> or on request (“PDPA Policy”).

If you provide us with any personal data relating to a third party, by submitting such personal data to us, you also represent to us that you have obtained the consent of that third party to you providing their personal data for the relevant purpose and must have ensured that you have notified the third party of the terms of the PDPA Policy and obtained his/her consent thereto.