



Chartered
Institute of
Fundraising

HOW YOU CAN HELP CHARITABLE GIVING THRIVE

A guide for MSPs on supporting charitable giving in their constituency



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Welcome

Introduction to the Chartered Institute of Fundraising

As a Member of the Scottish Parliament, we know in recent years you have been working hard to find solutions to some of society's most challenging problems, so that everyone has the chance to succeed, regardless of their background.

Charities are fundamental in supporting this goal. Right now, more than ever, they are on the frontline – saving lives through expert critical care, working with schools to set young people up for success, and helping families cope with the cost-of-living crisis.

This is only possible thanks to the generosity of donors and the fundraisers who inspired them to give.

But charities up and down the country are facing major challenges that are putting their vital services at risk. Funding sources have been put under pressure, whilst demand for services remains high, with many charities already at full capacity or even having to turn people away. The only way to turn this around is by facilitating and encouraging charitable giving so organisations can raise the income they need to sustain and grow services.

As the professional membership body for fundraising across the UK, representing over 650 charities and over 4,000 individual fundraisers, we are asking you to share and support our goal of fostering a favourable fundraising environment so everyone, from individuals to corporations, is inspired to give in a way that works for them.

This pack showcases the many benefits of charitable giving, as well as steps you can take to support it within your constituency and nationally. There are so many simple ways you can make a difference, from raising awareness of giving days, to ensuring future policies enable effective charitable fundraising. Whatever action you choose to take, it will have a big impact on charities of all sizes – and the communities that need them.

We look forward to working with you.



Katie Docherty, Chief Executive, Chartered Institute of Fundraising

Giving in Scotland

Together we can make sure charities across Scotland thrive

Giving in Scotland has doubled in the last decade, showing us that many people are committed and passionate about improving the world around them. This money has gone towards solving some of our most complex and challenging problems, from improving literacy rates to funding ground-breaking research at our world-class universities. We should be proud of our diverse and vibrant third sector that is working every day to give people the support they need.

But the challenges of the last few years have left their mark. Throughout the COVID-19 pandemic and cost-of-living crisis, charities both large and small have reported fundraising and financial challenges, which continue to persist today, spurred on by rising costs and demand for services. Now, more than ever, government and charities must work together to encourage those than can afford it to support causes close to their heart. Whether this be through raising the profile of awareness days, or ensuring the infrastructure that surrounds fundraising is equipped to support new and innovative approaches, there are countless opportunities to make sure charities are reaching the right donors.

The Chartered Institute of Fundraising Scotland supports our nation's fundraising community and charities. We host networking events as well as our annual conference to bring career fundraisers together and give them the tools and resources so fundraising can be a fulfilling and positive experience for donors. We would love to involve you in these discussions and explore future opportunities to collaborate so all Scottish charities can thrive.

Jamie McIntosh
Chief Executive of Scottish Love in Action and
Chair of Chartered Institute of Fundraising Scotland

5 Reasons to support giving

Charitable giving is a force for good that benefits government, charities and the communities they serve by:

1. Maintaining an independent and resilient third sector

Public funding – including donations, gifts in Wills, membership fees and charity shop profits – make up nearly half of the sector's income. Being able to raise these funds effectively and independently gives charities the freedom to respond and adapt quickly to their service users' needs.

This is especially important in emergencies. During the cost-of-living crisis, our member Save the Children provided over 2,300 direct grants to low-income families so parents could buy food, warm clothes and beds for their family. This was only possible thanks to their fundraising efforts.

2. Kick-starting social innovation

Donations are a key source of funding for social innovation projects. Through unrestricted funds and transformational gifts, charities can explore new ways to strengthen and expand services, from pioneering the use of ultrasound machines in pre-hospital critical care settings, to developing mobile apps so they can identify rough sleepers. Often, they will then share these learnings so charities and government services can adopt successful solutions nationally – saving all stakeholders time and money to the benefit of beneficiaries and society as a whole.

3. Strengthening your constituency's infrastructure

Charities are firmly embedded into their local communities. Whether they are hospices providing end of life care, or community groups giving people a place to connect, every day they are improving people's quality of life. By encouraging and supporting philanthropy and giving within your area, you can help organisations like these grow and develop new ways to support constituents. And over the long-term this can pave the way for economic growth by making areas more attractive to private investment.

4. Empowering people to change the world

The decision to give comes from a strong desire to improve society to benefit them and others. Recent research has found that just over half of UK supporters choose to donate because they have a personal connection to the cause, with a third saying they wanted to help their community.

And when people give together under a shared goal, it can change the world for the better. In recent years, we've seen fundraising campaigns help the NHS during COVID, send aid to Ukraine, and fight for social justice.

5. Inspiring people to take social action

Fundraising campaigns can open the door to long-lasting and mutually beneficial relationships between donors and charities. Donors who choose to give will use this opportunity to inform themselves of the cause and share their knowledge with others to raise awareness of pressing societal problems. In some cases they will even go on to volunteer so they can continue to make a positive difference.

“Having worked with many charities on events and key campaigns, I have seen first-hand how rewarding and fulfilling fundraising can be for charities and donors alike.

It makes people feel good to do something for a charity: the simple act of giving, or of challenging oneself to go out of one’s comfort zone by doing something like running a marathon, abseiling down a tower, skydiving from 10,000 feet. It can also be a key part of the grieving/ healing process when we lose someone.

Charities make a very real and vital difference to society, and harnessing that fundraising feel good factor enables them to transform the lives of those that benefit from their work.”

Juliet Ellis
Fundraising Consultant



"Voluntary donations make up 92% of our annual running costs, making our fundraising activities integral to providing children who have life-limiting or life-threatening conditions and their families with support that suits their situation. With the costs of care continuing to rise and all households feeling the impact of the cost-of-living crisis, it has never been more important to champion and facilitate charitable giving and philanthropy so that those who can afford to are able to alleviate the pressures others are facing."

Mike Bartlett
Deputy CEO of Julia's House

Take action now



We've put together a few simple suggestions on how you can help charities in your constituency and nationally raise more income:

1. Raise awareness of different types of charitable giving

Lending your voice to campaigns dedicated to celebrating and promoting giving is an ideal opportunity to showcase the work of charities in your area and across the country, whilst empowering people to make a positive difference in a way that fits into their lifestyle.

Three campaigns to add to your diary:

Giving Tuesday - 3rd December 2024



Raising up to £20m in the UK alone, Giving Tuesday is an international movement that celebrates all kinds of generosity. Every year, across 75 countries, millions of charities, companies, and supporters come together to inspire and encourage people to donate money or goods, volunteer, or organise community events. It has become a powerful way to amplify the voices of smaller and local charities, whose impact is not always recognised nationally.

This year Giving Tuesday UK's theme is #GiveYourWay, to raise awareness of the different ways someone can give to charity that fits into their lifestyle. With many household budgets stretched, it is vital that the public understands there are a wide range of affordable ways to support good causes.

There are many things you can do on the day to encourage generosity and foster community spirit, such as:

- Share a supportive message about your local charities using #GivingTuesday and #GiveYourWay
- Ask your local charities about how you can support their plans for the day.
- Host your own fundraiser on Facebook or Instagram.
- Give your staff a volunteering day to help out in local foodbanks or charity shops.
- Reach out to you local charities to organise a community clean up, or a coffee afternoon.



Get updates on Giving Tuesday and find out more ways you can get involved.

Payroll Giving Month - taking place every February

Payroll Giving is a truly unique way to make giving more affordable - if a basic rate taxpayer donates £10 through the scheme, it only costs them £8. What's more, it is free for employers to adopt and can help them reach their corporate, social responsibility goals.

But with many people unaware of the scheme and employers not offering it, putting it in the spotlight has never been more important. As such, every February the charities and their partners come together to raise awareness of the many benefits of Payroll Giving has to offer.

“Barnardo’s works to change childhoods and change lives right across the UK. Like all charities, we can only achieve our purpose thanks to our fantastic partners, including in the business world.

Payroll Giving is a great way for companies to help their employees support their charity of choice. We are so grateful to everyone up and down the country who has used this opportunity to make a monthly donation, and to help us support children to be safer, happier, healthier and more hopeful.’

Terry Stokes
Head of Workplace Giving
Barnardo’s



Remember A Charity Week - taking place every September

Remember A Charity Week is an opportunity for everyone to take a moment to consider leaving a gift to charity in their Will, alongside gifts for their loved ones. The campaign is run by Remember A Charity, part of the Chartered Institute of Fundraising.

Throughout the week, you can expect to see posts on social media from around 200 participating charities talking about the vital services gifts in Wills fund and some 900 Campaign Supporters (solicitor firms and Will-writers), highlighting the importance of an up-to-date Will and the tax breaks available for those who give in this way.

Legal firms, politicians and even celebrities also get involved, lending their voice to champion this very special form of giving and inspire people to support good causes long into the future. This year, Susie Dent spoke about the importance of 'Willanthropy' on national radio and even made it her word of the day.



Get updates on our campaigns and find out how you can get involved.



“Legacies provide us with the ‘platinum level’ of funding. That is, unrestricted funds that we can use to deliver any of our activities. What this means in reality is that they are often used to deliver activities that are harder to secure funding for but are essential to our work – whether that’s covering costs for our children and young people’s advisory group, ensuring all our staff get paid the Real Living Wage or helping to provide advice and information services to families across Scotland.”

Simon Massey
Head of Learning & Engagement
Children in Scotland

2. Champion small charities in your constituency

Small charities are a lifeline for the people in their community. In a recent survey, 15% of people said they used a small charity because 'they had nowhere else to turn to' and nearly a third said the public should donate more money to small charities if they can. But right now, inflationary pressures are forcing many organisations to close their doors, leaving communities without the support they need.

Now, more than ever, small charities in your constituency need you to champion them. Speaking to your local charities and learning about their fundraising challenges can help you identify which services are at risk, and what action you can take to encourage giving and attract funding for your community.



"As the Scottish groups Chair of Chairs at the Chartered Institute of Fundraising, I have the privilege of working with many talented professional fundraisers. Every day, they are finding new and exciting ways to make charitable giving a rewarding and personally fulfilling experience for donors so their organisations have the vital funds they need to tackle some of society's most complex problems. The income generated has never been more important, charities of all sizes up and down the country are having to cope with rising demands, compounded by rising costs due to inflation.

In my day job I work for a Third Sector Interface providing support to over 1400 organisations within a local authority, many are facing major financial challenges. Without much-needed funds, they will not recover, and once gone their communities will have lost access to vital services and support. It is essential that the next government considers a strategic funding plan alongside championing giving and philanthropy. I believe that by doing so, this will benefit everyone, from donors looking to make a difference in this world, to charities working tirelessly, and governments' goals to tackle poverty and regional inequality."

Bronwyn O'Riordan
Business Manager at VSLan, Third Sector Interface and
Scottish Chair of Chairs, Chartered Institute of Fundraising

Long-term collaboration



The giving landscape will continue to evolve as technology and the economy shape consumer behaviour. Together, we can create a favourable fundraising environment, to the benefit of charities and donors alike. Our top priorities in Scotland are:

1. Championing philanthropy and giving

Charities have proven to be resilient and effective at raising funds against the backdrop of continuous economic and social challenges. However, this has put a strain on many income sources. The amount typically donated by the public remains at £20: had it kept up with inflation it would be £25. Equally, the wealthiest in society are donating proportionally less than poorer households; were this to change it could raise up to £3.4 billion for charities.

Government backed initiatives that celebrate and promote philanthropy and giving would lower many of the barriers charities and supporters are facing right now. We can achieve this by:

Adopting a national strategy for philanthropy and charitable giving

Government and MSPs can play a crucial role in unlocking the growth and potential of philanthropy in Scotland. Adopting a national strategy, informed by charities and key sector stakeholders, would be a vital step forward in supporting the work of the sector and enable wider collaboration with charities, potentially identifying mutually beneficial opportunities to facilitate donations.



"Philanthropy in the UK has a rich and deep history that has fundamentally shaped society as we know it. Since then, it has been driving positive change every day so that everyone in the country can thrive by providing essential support and fostering innovation where it's needed most.

Altruistic generosity is the heartbeat of our communities in the UK, thanks to unrestricted funds from philanthropists, many charities have been able to trial and scale innovative and impactful services that tackle some of the most complex social challenges we are facing today, whether its finding new approaches to improving literacy skills, or opening new state-of-the-art medical facilities that deliver groundbreaking research.

To unleash the full potential of philanthropy, government, charities and donors must work together and find new and creative ways to facilitate and encourage HNWI's to give. For the new government, embracing and encouraging philanthropic efforts is crucial to building a more inclusive, resilient and compassionate society. It is through the generosity of individuals and organisations that we can address the most pressing social issues, empower local initiatives and ensure that every citizen can flourish and live their best possible lives"

Carolina Alonso
Relationship Manager at Karuna Trust and
Chair of the Chartered Institute of Fundraising Major Donor Group



2. Make tax incentives for charitable giving more accessible

The UK has some of the most generous tax incentives designed to maximise the value of donations and reward supporters' generosity. But a lack of awareness, coupled with outdated systems, is holding many schemes back from reaching their full potential.

We want to enable all taxpayers to donate to causes they care about in a way that supports their personal and financial goals. We can achieve this by:

Championing the take-up of Payroll Giving

Payroll Giving (also known as Give as You Earn) is an easy and tax-efficient way for PAYE employees to make donations to their preferred charities, straight from their gross pay. It is proven to lower the cost of giving: if a basic rate taxpayer donates £10 through the scheme, it will only cost them £8. And if they are a higher rate tax payer it will only cost them £6.

Since it's introduction in 1987, Payroll Giving has raised an impressive £2 billion. But since 2017, the number of employers offering the scheme has dropped by 21%, and the number of payroll givers has dropped to under 400 thousand (from over 550 thousand). But evidence suggests these trends are driven by a lack of awareness, rather than a lack of appetite for the scheme. A recent survey found that nearly two thirds of people are unaware of Payroll Giving, however, once explained to them, over a third of people under the age of 35 were open to using it.

It's time for a joined-up approach between charities, Payroll Giving agencies, and government to raise awareness of the scheme, so every understands the many benefits it has to offer. This would start with a updating current HMRC guidance to make it easier for employers to adopt the scheme, and strengthening support for Payroll Giving Month.

Payroll Giving is an incredibly effective way for people to give back. If a basic rate taxpayer donates £10 through payroll giving, it only costs them £8 and the tax-relief increases for higher and additional rate taxpayers. At a time when everyone is thinking about making the most of their money we want every PAYE employee to have access to payroll giving so they can make a difference for causes they care about, whilst being rewarded for their generosity. And the benefits extend to employers too, I have seen how it can boost employee engagement and contribute towards responsible business goals - not to mention ensure vital and regular funds for charities.”

**Mervi Slade,
Product and Programme Manager- Payroll Giving at Cancer Research UK and
Chair of the Chartered Institute of Fundraising Payroll Giving Special Interest Group**

3. Protecting long-term income through gifts in Wills

The public give an astounding £4 billion to charities each year through gifts in Wills, making it one of the largest single sources of charitable income.

What makes legacy giving truly unique is the long-term sustainable funding it provides, allowing charities to operate more efficiently, and to commit to multi-year projects and plan services in advance. Without gifts in Wills, 6 out of 10 RNLI rescue missions and one third of Marie Curie's hospice care simply would not be possible. What's more, an increasing number of small and community-based charities and charitable services are now being sustained thanks to people's legacy donations.

With predictions that legacy giving will reach £5 billion by 2030, it's clear that gifts in Wills will remain an indispensable source of charitable funds long into the future.

But despite mounting evidence that public appetite for legacy giving is rising, and with the Scottish legacy market expected to perform similarly to UK forecasts in the coming decades, there is one area in particular where it is struggling - and that is in its lack of notification system for charitable gifts in Wills, as is provided in England and Wales through Smees & Ford, once the Will has passed through probate.

With costs from the Scottish Courts prohibiting the running of the same service in Scotland once a certificate of confirmation has been issued, concerns have been raised that legacy income may not always reach its intended beneficiaries. In fact, the Institute of Legacy Management (ILM) estimates that as much as 10-15% of legacy income could be lost without the checks and balances that a comprehensive notification system delivers.

Charities are often unaware that they have been named in a supporter's Will – by being notified of their legal entitlement they are able to contact the executor, offer condolences where appropriate, and secure payment of the gift, ensuring the testator's charitable intentions are honoured.

Scottish estates have been excluded from Smees & Ford's services as the cost of securing copies of the Will from the Scottish Courts & Tribunals Service (SCTS) has become prohibitive, at around £28 per estate compared with £1.50 per estate for digital copies from His Majesty's Courts and Tribunal Services (HMCTS).

Legacy gifts are coming through - but the timeframe is often slower and in some cases there have been delays of years between a Will being confirmed and a gift being made. This has an impact on forecasting and long-term planning for charities.

4. The impact of long-term, flexible and core funding for charities.

The CIOF in Scotland believes that multi-year funding of at least three years would enable voluntary organisations to plan for the future with longer-term forecasting – and would almost certainly remove the uncertainty that is currently felt by many organisations, their staff and volunteers, and those who rely on voluntary sector services.

We know that many organisations in Scotland are struggling to plan for the future, and are facing barriers in recruiting, retaining, and nurturing staff and volunteers among other challenges, under the current system.

It is our view that long-term funding is an essential step towards sustaining and enhancing vital charitable services in Scotland. Charities design their services around the complex needs of their beneficiaries – such as tailored counselling services for veterans, or organising local skills exchanges to help get more people into work. Sustaining and growing these services requires careful planning and multi-year commitments, which is only possible if charities are confident they will have the necessary income to meet both current, and future, demand.

For many charities in Scotland, multi-year funding is essential to being able to respond with this rising demand by enabling them to plan for the future.

Additionally, this approach opens up new opportunities for the government to create transformative programmes that enable long-term systems change. Charities are tackling some of society's most complex problems, from homelessness to addiction services. Meaningful change in these areas require long-term goals and solutions, which are only possible through ambitious multi-year programmes.

Alongside multi-year funding, flexible and unrestricted funding would help charities navigate the ongoing challenges of the cost-of-living crisis, while also building the sector's capacity and resilience. Inflationary pressures are putting vital services at risk. Rising costs and inflation remain the biggest barriers to delivering planned programmes and services (47%), closely followed by raising funds (42%) and financial or cashflow constraints (37%). To overcome these challenges, charities need the freedom that unrestricted funds provide to allocate resources where the need is greatest.

Unrestricted and flexible funds also enable and empower charities to make informed decisions that maximise their impact. Charities are the best placed to assess the efficiency of services, identify any gaps or areas of improvement and make any necessary changes. In some cases, this may mean stopping certain programmes in order to launch new ones, which is not always possible with restricted project funding.

Stay in touch

We are always happy to discuss opportunities to support fundraising and giving or answer any questions you might have.



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