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SELF REGULATION ON MONITORING OF FUNDRAISING ORGANIZATIONS IN THE NETHERLANDS: THE CENTRAL BUREAU ON FUNDRAISING (CBF)

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Fundraising is an important issue in the nonprofit sector. The nonprofit sector is dependent on public giving in order to be able to maintain her work. The fundraising organizations therefore have an interest to attune their collections in order to achieve optimal revenues. For the public it is important to have a reasonable assurance that the financial support given to a certain cause is well spent. In the Netherlands these issues of fundraising are largely regulated by the Central Bureau on Fundraising (CBF). In this paper I will give a short introduction on the CBF, her purposes and methods. This paper is not for publication or quotation without permission of the author.

History

The roots of the Central Bureau on Fundraising (hereafter: CBF) go back to 1925, when the 'Stichting Centraal Archief en Inlichtingenbureau inzake Maatschappelijk Hulpbetoon voor Nederland' was established. This organization was established on the initiative of the Armenraden, in which civil- and private organisations as well as churches participated.

From the beginning the purpose was to prevent misuse of fund- and other supportraising by untrustworthy individuals and organizations. This purpose was persued, by giving reliable information to the public regarding the 'fundraisers'.

As from 1963 the Stichting extended her scope from fundraisingorganizations with charitable purposes, to the whole field of fundraisingorganizations: Social welfare public health, culture, nature- and animal protection, environment and other purposes for the common good. Her name was changed accordingly in Centraal Archief voor het Inzamelingswezen (1978).

In 1989 the Stichting adopted the name Centraal Bureau Fondsenwerving (CBF).

Purpose of the CBF

The purpose of the CBF is to promote that fundraising by charitable, cultural, scientific and other legal persons serving the general interest¹ take place in a responsible way.

The CBF seeks to serve both the interest of the public and of the legal persons involved.

The public is being served by providing information concerning the trust- and supportworthiness of a particular organization. The CBF operates a telephone service for this purpose. Also the CBF provides information to the municipalities on particular organizations. This information serves the municipalities in deciding on whether or not to give licence to a particular organization for door to door collections.

The CBF 'Declaration of Supportworthiness' and in the near

¹ Legal persons that in the pursuit of their purpose consider (initiation or support of) violence acceptable are not considered serving the general interest.

future the CBF-Seal of Approval are important elements in providing these services. They will be discussed in this paper.

The CBF is also active on behalf of the fundraising organizations. This includes for instance negotiating favourable rates on money transfers with the banking sector for the fundraising organizations and issues of legislation that may affect the fundraising organizations. (f.i. of late the legislation on privacy is in the picture. This might affect direct mailing as a means of fundraising).

Also the CBF is involved in the designing of the national collection-agenda. This is a nationally organized timetable according to which the institutions that belong to the Stichting Collecteplan (Collection Plan Foundation) have in a certain period of time during the year the exclusive licence for door to door collections in every Dutch municipality. This plan is meant to prevent organizations collecting in the same period on a national level. The organizations submit themselves voluntarily to this plan, thus respecting each others collection periods.

Similar (private) regulations exist with the broadcasting organizations. The CBF registers in which weeks collection activities are being planned and which weeks are open. Both the fundraising and the broadcasting organizations can take an option for a desired week.

Instruments

Declaration of Supportworthiness

One of the main instruments the CBF has developed is the "Verklaring van Steunwaardigheid" (translated: 'Declaration of Supportworthiness'). A fundraising organization can apply for this declaration issued by the CBF. The CBF investigates whether or not sufficient guarantees for responsible fundraising and spending are present.

The working methods (esp. marketing and advertising) of the organizations as well as their way of reporting and informing the public about their activities play an important role in this investigation. Any organization that wants to apply for CBF-approval must submit its annual account in accordance with standard CBF-directives. The CBF denies the declaration if the organization is not transparent, does not inform the public correct, is not accurate in its bookkeeping, spends the money for other purposes than for the purposes it was raised, or if it spends too much of its fundraising revenues (25%) on overhead.

The Declaration of Supportworthiness is valid for 18 months. News regarding newly issued declarations or withdrawals thereof, are published by the CBF in her bulletin every quarter of a year. The declaration serves both the (municipal) government deciding whether or not to grant permission to hold a door to door collection, and the public as to assert whether or not a fundraising organization is worthy of support.

Also the radio- and televisionstation are informed by the CBF regarding the trust- and supportworthiness of a particular fundraising organization or activity, although the media have not officialy bound themselves to follow the CBF-declaration of supportworthiness. There is however a moral binding, given the organizational linkages between the CBF and the media-organizations.

The CBF-Seal of Approval

The CBF can also grant another, official CBF-Seal of Approval (CBF-Keurmerk). This official Seal of Approval can be applied for by organizations that have proven their trustworthiness for a period of at least three years in succession. The Seal is valid for a period of three years. The opportunity to apply for the Seal of Approval exists from januari 1, 1995. The first Seals will be granted as from januari 1, 1997. With this certificate goes a logo that the awarded organization can use approaching the public.

CBF-bulletin

The CBF-publishes a bulletin containing recent information on fundraising activities by organizations or individuals, the nature and trustworthiness of such organizations or individuals. Published in this bulletins is which organizations have received the CBF-declaration of Supportworthiness and in the near future the CBF-Seal of Approval. Besides this there are special bulletins regarding the collection of clothes or other goods.

Organizational aspects

The board

The CBF has the legal form of a Stichting (usually translated by foundation), this is a non-membership organization. The CBF-boardmembers are appointed from candidates recommended by the Association of Dutch Municipalities (3 members), the Collection Plan Foundation (2 members), Prins Bernhard Fund (1 member), Queen Juliana Fund (1 member), Foundation Fundraisingactions Public health (1 member) and the Foundation Central Consultation Fundraisingactivities (1 member). Apart from this the board appoints one to two members on a personal title, who can not be working for a fundraising organization.

The bureau

The CBF has a bureau to perform the tasks necessary, such as documentation on fundraising organizations and individuals, investigate the trust- and supportworthiness of these organizations and individuals, and the disclosure of this information. Also the bureau has to inform the board on developments in the field of fundraising and perform tasks that are given by the board. The bureau is managed by the director.

Committees

CBF also has special committees. There is a committee of experts to inform and advise the board on organizational, legal and other issues. The main task of this committee is to 'translate' ethical standards into practical and feasible regulations.

Also there the CBF has a arbitration board (College van Beroep). This arbitration board can be called upon by a particular organization that has applied for the CBF-Seal of Approval but that has been denied (or deprived of) the seal. Needless to say that the composition of the arbitration board must reflect independence from the CBF board and fundraising organisations as such is very important for a good and trustworthy functioning of this arbitration board. This is laid down in special CBF-regulations.

Affilliates

There are two types of affiliates. The A-affiliates are public bodies and private organisations that have an interest in being informed on fundraising organisations and fundraising issues in general. The B-affiliates can fundraising organizations that pursue a purpose of public interest.

Financing

Originally the CBF received government subsidies. Recently, the subsidies have been withdrawn. The financial sources for the work of the CBF now consist of donations, affiliates' dues and other revenues.

The International Committee on Fundraising Organisations

Independent monitoring organisations, like the CBF, have established an international association for monitoring agencies. This association is called the International Committee on Fund-Raising Organisations (ICFO). The ICFO has members from Europe, Canada and the USA.

The ICFO serves among other things to share experiences and to set common criteria and standards by which to establish a judgement on the supportworthiness of an organisation. Also the ICFO is considering the establishment of an international Seal of Approval.

The Address of the ICFO:

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Conclusions

All in all the CBF and its activities are designed to organize fundraising in the Netherlands in a way that the trust of the public in the fundraising sector is promoted and justified and that optimal revenues are guaranteed. Eventhough - or perhaps due to the fact that - it is mainly determined by consensus of the affiliated governmental bodies, companies, grantgiving and fundraising organizations, the effectiveness of its activities in this regard is substantial. Given the fact that organizations like the CBF have been succesful in quite a number of other European countries as well as in Canada and the USA, the conclusion that selfregulation on monitoring fundraising organizations has its distinctive merits.

Needless to say the fundraising-world constantly changing. This will probably also effect the organizational structures of the CBF. The principles, methods and mechanism of this selfregulatory body will however stay the same, as it has been for more than 75 years.