



House to House Clothing Collections Guidance.

What information does this document provide?

This document outlines the three main ways in which legitimate charitable door to door clothing collections take place. They are as follows:

- 1) Charities which undertake collections in partnership with commercial door to door collection businesses.
- 2) Charities that undertake their own door to door clothing collections without the use of a commercial collection partner and do not sell the items through a charity shop.
- 3) Charities that undertake their own door to door clothing collections and which sell some of the collected items through their charity shops.

All three types of collection have their relative merits and help raise significant funds for charity. Unfortunately, this method is under threat from bogus collectors, who pretend to represent charities, but in fact will keep all monies for themselves. Bogus collectors are taking goods that the public wish to see go to charity, and depriving the charity sector of much needed goods and income. This briefing also provides guidance and tips on how to spot bogus collectors

This document was produced by the Institute of Fundraising, The Fundraising Standards Board, The Textile Recycling Association, The Charity Retail Association and Kidney Research UK.

Why should people support charitable door to door clothing collections?

- 1) *They are good for the environment, the economy and charitable fundraising.*

We currently buy over 2 million tonnes of new clothing and textiles every year in the UK, and according to DEFRA it is UK's fastest growing household waste stream. At the same time we are dumping over 1 million tonnes of used textiles in the bin and collecting only about 550,000 tonnes for re-use and recycling annually. More needs to be done to increase re-use and recycling and decrease dumping.

2) They are popular with the public and convenient to use.

Up until recently door to door collections of clothing have been a relatively underutilised method of collecting clothing, but they are becoming increasingly popular with the public and charities alike. According to the results of a survey undertaken on behalf of the "Professional Fundraiser", door to door clothing collections are popular because the public feel that there is a lack of pressure to give. Many respondents said that "it is a great way to get rid of serviceable items", they offer greater convenience than other collection methods and make it easier for the public to recycle clothing.

3) They help charities to raise significant funds and support employment opportunities in the UK.

All legal charitable Door to Door clothing collections not only provide a valuable service to the public and highly significant environmental benefits, but they also provide opportunities for all participating charities to raise significant funds, and support employment opportunities for thousands of people here in the UK.

There are in principal three different ways in which charitable door to door clothing collections can operate. These are outlined below. All of them can provide significant income for the benefiting charity, can divert significant amounts of clothing and textiles away from the waste stream and be tailored to suit the individual set up of the benefiting charity. All the different collection methods have their relative merits.

It is the actual net profit that the charity receives for each tonne collected and the weight of clothing that can be collected and processed which is of key importance to a charity.

There is statutory protection to keep charities from entering agreements that may not be advantageous. The House to House Collections Act 1939 allows local authorities to refuse a licence to a collection that they feel does not provide a reasonable level of benefit to a charity. Trustees and charity managers also operate under a fiduciary duty to ensure that any agreements are in the best interests of the charity. This legislation and best practice guidance (including the Institute's House-to-House Collections Code and also Charities Working with Businesses Code) can assure donors and licencing officers that legitimate charity collections, no matter who undertakes them, result in the charity benefitting financially.

What are the different collection methods?

1. Charities which undertake collections in partnership with commercial door to door collection businesses.

Under such arrangements the commercial collection partner meets all the costs of setting up and promoting the scheme and undertakes all the work. The collection partner can then prepare the clothing for export at the prevailing global market prices.

The benefiting charity then receives a payment from the commercial collection partner. The rest of the operating profit goes to the participating textile collection business.

The profits generated by the business helps to secure paid jobs for the thousands of people employed in the UK textile reclamation industry.

Such arrangements offer charities a risk free way to fundraise. The commercial collection partner undertakes all burdens. The benefiting charity does not incur any costs, commercial risks or the inconvenience that running such a scheme incurs. If there is a downturn in the market, the losses that would be incurred are met completely by the commercial collection partner. Under this type of arrangement, there can be a very high turnover of clothing and the potential to generate large sums of money every year for the charity is significant.

2. Charities that undertake their own door to door clothing collections without the use of a commercial collection partner and do not sell the items through a charity shop.

Some charities may choose to undertake their own door to door clothing collection without the use of a commercial collection partner so as to try and increase their profit margins.

Charities that choose to pursue this model may have the staff and/or resources to undertake such collections and may be prepared to accept the commercial risks associated with such collections. Unlike the collection method described above, if there is a downturn in the market, any resulting financial losses that are incurred would have to be met by the charity.

Once the charity has undertaken the collection itself, it can then sell the clothing at the prevailing market price in the same way as commercial collection partners sell the clothing in the method above. However, the charity will have incurred the costs associated with collecting the clothing, which will be higher if paid staff are used.

3. Charities that undertake their own door to door clothing collections and which sell the collected items through their charity shops.

A small number of charities have charity shops, through which they can sell clothes. Charity shops provide good quality, affordable clothing and other items.

Some of these charities choose to undertake door to door clothing collections, using either paid staff or volunteers. They then retail a percentage of the better quality items in their shops as a means to increasing their potential profit on every tonne of clothing that they collect. The remainder is sold on to merchants at the prevailing commercial market rate, before being exported for re-sale in a similar manner to clothing collected via methods' 1 and 2 above.

The charity itself will be bearing additional costs and physical burdens when undertaking door to door clothing collections of this nature. They will also be realising additional financial risks. By using volunteers as opposed to paid staff a charity can reduce its costs.

What is the situation with bogus collections?

Unfortunately, there are a number of clothing collectors who give the impression that they are collecting for a charitable or philanthropic cause, but all monies go to commercial operations. Some collectors will put out leaflets pretending a legitimate charitable collection, or will simply take bags that were intended for legitimate charity collections.

There are a few simple things that you can do to check whether the collection leaflet or bag that you have received is for a genuine charitable collection. You can:

- Check to see if the collection purports to support a genuine UK registered charity (with the registration number given). This should not be confused with other numbers like “Company Numbers” or “Export Numbers”.
- Check that there are genuine contact details for the Charity on the bag.
- See if the collection organiser bears accepted kitmarks, such as the Fundraising Standards Board (FRSB) tick, the Charity Retail Association (CRA) logo or Institute of Fundraising (IOF) membership logo.
- Check with the local authority to see whether the collection is licensed. With the exception of a few big national collection charities, most charitable door to door collectors are required to obtain a licence from the local authority where they collect.
- Contact the charity that the collection will supposedly benefit, as they can tell you if a genuine collection is being done in your area or not.

The Charity Commission (www.charity-commission.gov.uk) and the Charity Retail Association (www.charityretail.org.uk) provide further guidance on giving to legitimate collections.

If you suspect that an unauthorised person has collected the clothing that you have put out, you can ring the police to report a theft. If you can remember which charity was meant to benefit you can also call the charity concerned.



About the Institute of Fundraising

The **Institute of Fundraising** is the professional membership body for UK fundraising, working to promote the highest standards in fundraising practice and management. The **Institute of Fundraising's** mission is to support fundraisers, through leadership, representation, standards setting and education, to deliver excellent fundraising.

Committed to raising standards in fundraising practice and management, we engage with charities, Government, media, the general public and other bodies to positively influence the UK fundraising environment. We work to nurture the knowledge and standards of all those who undertake fundraising, offering an extensive range of training and networking opportunities.

The Institute represents over 5,000 fundraisers and 320 fundraising organisations, providing information and support services for Individual and Organisational members.

Contact information

Institute of Fundraising
Park Place, 12 Lawn Lane
London SW8 1UD
Tel: 020 7840 1046
Fax: 020 7840 1001
Email: policy@institute-of-fundraising.org.uk
www.institute-of-fundraising.org.uk

Please bear in mind that the Institute does not give professional legal or accounting advice, and while care has been taken with this briefing, you should seek advice before taking any actions or incurring costs.