

# Statement on financial appeals and donations

---

## General Appeals

From time to time the Australian Mercy Board will launch an appeal to raise funds for projects that are part of the portfolio of registered programs under its supervision.

Funds raised through such appeals will be receipted into our accounting system and distributed to the project to which the donor has directed the funds. Australian Mercy takes all donations to its financial appeals very seriously and handles the funds given with proper care and integrity. All funds receipted into our accounting system are subject to our annual audit.

Donations made to any appeal have a 5% administration charge levied against them. The Australian Mercy Board has capped this percentage and the funds help us to cover the administration costs involved in running the appeal. 95% of all donations are then passed on to the focus of the appeal and are used in accordance with its registered project proposal.

Should donations be received for a project that has expired or no longer exists the donor will be contacted to ascertain where they would like the funds redirected. If the donor is unable to be contacted then the funds will be distributed to a similar project at the discretion of the Australian Mercy Board.

## Emergency Appeals

From time to time Australian Mercy will launch emergency appeals so that it can respond to disasters and other emergency situations. Australian Mercy handles the funds donated to an emergency appeal with the same care as it does with moneys donated to its other projects.

Donations made to an emergency appeal have a 5% administration charge levied against them. Appeal funds are usually used to provide medicines, clothes, plastic sheeting, food, clean water and other direct needs that people caught in a disaster may have. A small percentage of the funds may be used to pay for transport costs of getting teams or resources to the disaster or refugee sites.

Emergency appeals usually have a shorter cut off date than other registered projects. Once an appeal has reached its cut off date, Australian Mercy will do one of two things with any unspent or excess funds.

1. The funds can be transferred to ongoing second phase projects related to the emergency, such as reconstruction work. For example; excess funds from our Boxing Day Tsunami Appeal in 2004 / 2005 were used to maintain a hospital in Aceh that was serving tsunami refugee populations.

2. The other option we have is to place excess funds into our Emergency Response Fund (ERF). The ERF is an account used to launch an emergency response. It pays for some of the initial costs of sending out a disaster response team. These costs might include the purchase of medical supplies or emergency resources and equipment that teams take with them. The ERF can give team leaders cash in hand that they can use on site to buy needed resources. Once new donations begin the ERF is repaid the money that was outlaid and the funds are there for the next time Australian Mercy responds to a disaster. The ERF is subject to the Australian Mercy annual audit.

### **Investment funds**

Australian Mercy also operates investment funds;

In each of these funds there is a strong emphasis on the investment of moneys, and using the interest and dividends raised for specified purposes outlined in the funds' foundational documents.

Donations to these funds are subject to the 5% admin levy.

95% of donations made to these funds are invested in safe conservative investments.

When dividends are received from the investments in the funds, distributions are made according to the following formula.

Project outlined in the funds foundational document - 70% of dividend

Reinvestment in to fund - 20% of dividend

Australian Mercy admin - 5% of dividend

Project admin - 5% of dividend

### **Undesignated funds**

From time to time Australian Mercy receives undesignated funds from donors. Where possible we try to contact the donor of these funds to clarify where they want the funds directed. If the donor cannot be contacted then at the end of the financial year the Board distributes these funds into areas of most need.

Australian Mercy wants to thank its many donors for supporting to its various appeals and hopes that this statement will give better understanding of exactly how we use the donations made to us.

If you have any questions, please contact the National Office.