

Factsheet on Flag Day

About Flag Day

1 NCSS member Voluntary Welfare Organisations (VWOs) with charity status can apply to NCSS, if they wish to raise funds through street collections via collection tins/bags or Flag Day. All Saturdays and Wednesdays during school holidays have been allocated for NCSS members to conduct Flag Day.

2 Only one Flag Day is allowed for each organisation per year. Allocation of Flag Day slots is done through balloting.

3 Organisations can apply to conduct Joint Flag Day. The number of Joint Flag Days to be allocated is capped at 10 per year. A maximum of 4 organisations are allowed in the joint effort. A Memorandum of Understanding (MOU) (sample in **Annex A**) would need to be established among the joint applicants.

Eligibility Criteria for Flag Day

4 All organisations must be members of the National Council of Social Service (NCSS), providing direct social services or promoting community development.

5 All organisations must be charities registered under the Charities Act.

6 All organisations should maintain average gross proceeds of at least \$50,000 (gross proceeds collected in a single day) over the last 3 Flag Days. For organisations that had conducted less than 3 Flag Days, the average income will be calculated over the number of Flag Days that they have conducted. Organisations that failed to meet this criterion will be barred from conducting a Flag Day for the next 2 years. This applies to each applicant under a Joint Flag Day application. Special considerations may be given, if the applicant has provided valid justifications for not meeting the criterion.

7 The organisations' accumulated reserves¹ should not exceed 5 times the total operating expenditure². The reserves over the last 3 years, where available, will be taken into consideration.

¹ Accumulated reserves refer to the amount of money set aside for general operating expenses and future use, which excludes the capital/building fund.

² The total operating expenditure refers to the total gross recorded expenditure for the financial year. It excludes the losses on the disposal of property, plant and equipment, amounts paid out for the acquisition of property, plant and equipment as well as the amounts paid out of the endowment fund.

8 The organisations should not be fully funded by the government, statutory boards, NCSS and other government agencies.

9 There is no outstanding audited statement of accounts for past fund raising events conducted.

Application Procedures/Requirements

10 NCSS member VWOs with charity status will be invited to apply for Flag Day around April to June. Eligible applicants will then be notified by NCSS to participate in the Flag Day Balloting Exercise, which will usually be held in September.

11 Organisations applying for Joint Flag Days are required to nominate a representative as the main applicant to submit the Flag Day application. In the application form, the main applicant is required to indicate details on the rest of the organisations whom they are partnering. Successful joint applicants are to establish a Memorandum of Understanding (MOU) (sample in **Annex A**) to be submitted to the NCSS Membership and Permits Department at least one month before the balloted Flag Day date.

12 Should there be more than 10 applications for Joint Flag Day, the applicants are required to go through a balloting exercise. Unsuccessful applicants will join the balloting exercise for Single Flag Day to obtain an individual Flag Day.

13 Organisations that are unsuccessful in balloting for a Flag Day may combine with those organisations that had successfully balloted for a Flag Day to hold a Joint Flag Day. The main applicant must be the organisation that had successfully balloted for a Flag Day, and a copy of the Memorandum of Understanding (MOU) must be enclosed together with the letter of notification to the NCSS Membership and Permits Department at least one month before the balloted Flag Day date.

14 Organisation that had successfully balloted for a Flag Day but does not wish to carry out the Flag Day will have to find a replacement to take the slot. Otherwise, proceeds will be considered as NIL for the particular Flag Day. The organisation that is giving up the Flag Day will have to write in to NCSS Membership and Permits Department for approval regarding the replacement.

Mechanics of Flag Day Balloting Exercise

15 Eligible applicants will be invited to participate in the Flag Day Balloting Exercise (sometimes in September) to select a Flag Day slot. During the exercise, Joint Flag Day applicants will first be invited to draw a numbered card. Subsequently, single Flag Day applicants will be called out in alphabetical order to pick a card, which can be either blank or numbered. As the cards are placed at random, all

organisations will have an equal chance of selecting any of the cards. The number indicates the position in the queue to pick a date for the Flag Day. An organisation that picks a blank card will not get a slot for Flag Day.

Requirements for Conducting Flag Days

Application for House-to-House and Street Collection Licence

16 Organisations with a balloted Flag Day must apply online to NCSS via the VWO Corner for the exemption on the House-to-House and Street Collection Licence at least 14 days before the Flag Day. NCSS will forward the approval letter and Collector's Certificate of Authority to the organisations, once their applications are approved.

17 Every Copy of the Collector's Certificate of Authority (CCA) must be printed on the organisation's letterhead and duly stamped with the organisation's official stamp before it is distributed.

18 Upon the completion of the fund-raising event, all copies of CCA given to collectors must be duly collected and retained by the organisation.

19 All audited Flag Day statement of accounts (a hardcopy bearing the auditor's signature) should be submitted to Membership and Permits Department of NCSS within two months after the completion of Flag Day.

General

20 No solicitation of funds is allowed at the Woodlands Check-Point (Immigration Department), Changi Airport, Railway Station, hospitals, Mass Rapid Transit (MRT) stations, hotels and places of worship.

21 Solicitation of funds for Flag Day can only be conducted on the balloted date, between 7 a.m. and 10 p.m. only.

22 Appeals for sponsorship to cover the operating cost for Flag Day can only be conducted through appeal letters and pledge cards, within a month before the allocated Flag Day. Proceeds from appeal letters and pledge cards can only be used to cover the operating cost of Flag Day, and cannot be counted as part of the proceeds for the actual Flag Day. This should be communicated to the donors accordingly.

23 Sale of items is not allowed in conjunction with a Flag Day on the same day by the same organisation.

Handling of Collection

24 Organisations must print their names or logos and the NCSS Approval Reference Number on all the Flag Day tins/bags and tokens (e.g. stickers). For Joint Flag Day, all collection tins/bags/flag day stickers should state the names/logos of all partnering organisations.

25 All collection tins/bags must be serialised.

26 The dimension of coin slits for collection tins must not be more than 4cm by 0.5cm, and the coin slits for collection bags must not exceed 5cm by 1cm.

27 Organisations are required to inform NCSS for loss of collection tins/bags. A report to the Police will be needed if collection tins/bags are stolen.

28 All collection tins/bags upon handing over at the Collection Centres shall be examined by authorised personnel to ensure that they are intact. These authorised personnel shall ensure that the contents in the tins/bags do not spill out en-route to the counting centres.

29 The counting of collections shall be verified in the presence of the staff and independent party/parties of the organisation (e.g. auditor and management committee members).

30 For joint Flag Day, all collection tins/bags upon being handed in at the Collection Centres shall be examined jointly by authorised representatives from all organisations to ensure that the tins/bags are intact, and opened in the presence of an independent third party (e.g. auditors and management committee members).

Collectors

31 Collectors must be 15 years and above and at least 20% of the collectors must be 16 years old and above.

32 Collectors shall not cause annoyance to any person, or remain at any premise, if requested by the occupant of the premise to vacate the place.

33 The collectors shall not receive any money collected except by allowing the donor to place the money in the collecting box.

34 The collectors must be briefed on all relevant aspects of the organisation(s) and the fund-raising exercise, so that they understand and are able to communicate these to prospective donors. For Joint Flag Day, all partnering organisations are required to brief their volunteer collectors or staff, based on the agreed briefing details.

Administrative Cost

35 The fund-raising efficiency ratio is the total fund-raising expenses of a charity to the total gross receipts from fund-raising and sponsorships of the charity for that financial year. All charities are expected to keep their fund-raising efficiency ratio below 30%, which is commonly known as the 30/70 rule. For the regulation on the 30/70 rule, charities can refer to the Charities (Fund-Raising Appeals)(Amendment) Regulations available from the Charity Portal (www.charities.gov.sg).

Additional Requirements for Joint Flag Days

36 Partnering organisations are to share all expenditure and administrative duties incurred for the Joint Flag Day, based on the term agreed and stated in the MOU (sample in **Annex A**).

37 The total gross proceeds raised from the Flag Day event must be shared among the partnering organisations, based on the percentage agreed and stated in the MOU.

38 Organisations shall have equal statutory responsibilities in the coordination and management of Flag Day, such as compliance with requirements under the House-to-House & Street Collections Act.

39 Organisations applying for Joint Flag Days are required to nominate a representative as the main applicant. This main applicant shall be responsible for the application of exemption of the House-to-House and Street Collection Licence and the submission of audited statement of accounts for Flag Day.

**MEMORANDUM OF UNDERSTANDING (MOU) FOR
JOINT FLAG DAY 2010**

This Memorandum of Understanding dated _____ is made
between _____ (Agency 1)
and _____ (Agency 2).

WHEREAS:

1. Agency 1 is the nominated main applicant that has successfully balloted for a Flag Day date in year 2010.
2. Agency 2 is the co-applicant working in partnership with Agency 1 to conduct the Flag Day.

NOW THIS MEMORANDUM AGREES AS FOLLOWS:

1. The nominated main applicant will be responsible for submitting the following documents to NCSS Membership & Permits Department:
 - Authorisation letter(s) from the partnering agency/agencies indicating the main applicant as their representative.
 - Online application for Fundraising Exemption to hold a Flag Day in year 2010 at least one month before the balloted date.
 - Audited Statement of Accounts (hardcopy) within two months after the Flag Day.
2. All collection tins/bags/Flag Day stickers should state the names/logos of all partnering agencies.
3. The total gross proceeds raised and expenses incurred for the Flag Day event will be distributed based on the percentage agreed as follows:

| Name of Agency | Percentage of Proceeds to be received and Expenses to be incurred by the Agency |
|----------------|---|
| Agency 1 | XX% |
| Agency 2 | XX% |

4. Allocation of manpower for the administrative and logistics preparation for the Flag Day must be shared based on the arrangement agreed by the partnering agencies.
5. All agencies shall have equal statutory responsibilities in the coordination and management of Flag Day, which will include compliance with requirements under the House-to-House & Street Collections Act.
6. All agencies are required to brief their volunteer collectors or staff, based on the agreed briefing details before the Flag Day.
7. All agencies are to agree on the accounting procedures for monies received and expended for the Flag Day. For example, all collection tins/bags returned to the Collection Centres shall be examined jointly by authorised representatives from all agencies, and opened in the presence of an independent third party.
8. All agencies are empowered to appoint auditors to conduct checks on the accounting records of the other party(ies) on the proceeds collected from the Flag Day.
9. All agencies to agree on the content of the publicity materials used for the Flag Day, if any.
10. All agencies to agree on the procedures for settling disputes, if any.

In agreement of this Memorandum of Understanding:

<Name of Signatory>
 Designation (Preferably Executive
 Director or Board Member)
 <Name of VWO as main applicant>

<Name of Signatory>
 Designation (Preferably Executive
 Director or Board Member)
 <Name of VWO as joint applicant>