



Executive summary:

This report was requested by the Wikimedia UK Board of Trustees to review and summarise the chapter's status as a fundraising organisation.

This report provides an updated review of the chapter's capacity as a charity to store, processes and accesses its data with a particular focus on the processing of donor records.

It concludes

- The chapter continues to take advantage of its charitable status to offer donors who donate directly to us tax benefits in relation to their gifts.
- The chapter is well placed to handle direct donors coming to us via the fundraiser (in whatever form that takes place) and to take full advantage of the benefits of Gift Aid.
- The chapter's operations comply with UK and EU legislation covering the processing and storage of data.
- In its accountancy practice, the chapter has adopted and is using the UK Charity Commission's Statement of Recommended Practice (SORP) full cost presentation to ensure transparency and accountability of its use of funds.
- The chapter's donor services are guided by and comply with UK specific industry standards of best practice.
- The chapter more than meets expectations placed on it as a charity and as a movement entity within the Wikimedia movement, in terms of receiving and disbursing donor funds.

Introduction: Fundraising Compliance Review

Wikimedia UK is both an affiliated chapter of the Wikimedia movement, and a registered charity in England & Wales with defined charitable objects to deliver public benefit to UK residents. It is funded through a combination of grant-funding from the Wikimedia Foundation, which is derived from fundraising campaigns around the globe via the online fundraising banner appeals, and direct donations which comprise roughly 40% of its' income in 2013/14.

This report looks at how Wikimedia UK current complies with best practice and legal obligations placed on it as an England and Wales based charity. It will also consider its work as a chapter of the Wikimedia movement by considering existing agreements and documents that detail fundraising practice.

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Legal status and compliance

Registered charity with charitable purposes for the public benefit

Wikimedia UK is a registered charity in England and Wales with the attendant benefits and regulatory framework. All solicitations for funds state as required the fact it is a registered charity, and lists its registered charity number.

The charity is registered with the the Committees of Advertising Practice (CAP) 'Bespoke Copy Advice' service. CAP writes and maintains the UK Advertising Codes, which are administered by the Advertising Standards Authority, and offers the industry authoritative advice and guidance on how to create campaigns that comply with the rules.

The charity is a member of the Fundraising Standards Board and is entitled to display the FRSB 'Give with Confidence' logo on our marketing and fundraising materials.

Charitable entity recognised by HMRC, the UK tax authority, as entitled to claim tax repayments on Gift Aid and other income

Under the rules of the [GiftAid Scheme](#) administered by HMRC - the UK tax authority - Wikimedia UK continues to be legally entitled as an independent charity to the Gift Aid income from UK donations that a donor has declared eligible. To date the charity has claimed and received a little over £70,000 of gift aid income from gifts directly made to Wikimedia UK. Gift Aid unfortunately cannot be claimed for gifts made to the WMF.

In addition the Gift Aid scheme is of direct benefit to donors. Donors who pay higher rate tax can claim the difference between the higher rate and the basic rate of tax on the total 'gross' value of their donation. This means a donation of £100 to Wikimedia UK will actually attract £125 of income for the charity at a direct cost of £75 to the donor.

Also donors who claim relevant allowances or tax credits can request the amount they donate plus the basic rate tax is subtracted from their total income, with the reduced figure being used to work out the value of allowances or tax credits. This generally represents a significant financial incentive to UK taxpayer donors.

Both these provisions are particularly attractive to UK donors who may wish to make a larger gift to the Wikimedia movement, both because of the additional income it earns the movement from the UK treasury and because of the potentially beneficial effect on their own personal tax and income arrangements.

Wikimedia UK cannot act as agent of the Wikimedia Foundation in accepting Gift Aid eligible donations. However, that does not stop Wikimedia UK from separately undertaking to the WMF

that it will make charitable grants on some specific basis, as was done in 2011 and 2012 when income Wikimedia UK raised by directly processing payments during the fundraiser was remitted to the Wikimedia Foundation in the form of a grant.

UK Charity Commission Internal Financial Controls (CC8)

Wikimedia UK has made large strides in its pursuit of accounting excellence since 2012 when the auditors management letter identified some weaknesses in accounting process.

In 2013 the auditor's management letter, finalised by the charity's auditors in July 2013, identified several improvements to the charity's accounting processes. The following are highlighted as they are particularly relevant to income management and therefore the chapter's fiduciary responsibility to donor funds:

- Additional work on the chapter's accounting records ensured that the financial statements for the year to 31 January 2013 were true and fair.
- Meaningful quarterly management reports were now prepared from the charity's accounting system
- The Office and Development Manager had been supported with appropriate training.
- The creation of a clear system for recording and depreciation of fixed assets and all expenses
- The use of separate bank accounts for the receipt of membership subscriptions and donated income as separate from other sources

As it is early 2014 the end-of year accounts are being prepared and will be submitted for audit in March 2014. It is anticipated that the Management letter will refer to the following improved practices and circumstances which have been put in place in the intervening period:

- The use of 'Sage' as a widely adopted of a 'fund accounting' system, which splits FDC-granted funds and locally-raised funds and tracks them appropriately
- Expert guidance from Greyham Dawes, our treasurer, who is a nationally-recognised chartered accountant specialising in the UK charity sector.
- A 'full cost' accounting system, where the cost of staff and other overheads is broken down across individual projects, to generate the true cost of a project to the movement. The levels of detail we now have available means that we actually have to run a separate calculation for our FDC reports, as the FDC asks for information that is more broad-brush and less precise than our reports usually produce.
- The institution of a quarterly financial management reporting mechanism, prepared by Davina Johnson, our Management Accountant. She is a Fellow of the Institute of Chartered Accountants in England & Wales, and an Associate of the Chartered Institute of Bankers. This allows the board to focus on truly strategic issues and major risks, leaving staff and volunteers to handle the individual projects.

Management letters are not public documents, but both they and audit reports are shared with the Wikimedia Foundation as a matter of course, as a key funder and grant making partner.

In September 2013 the charity reviewed its internal financial controls. This was in line with the charity Commission checklist (CC8) and with relevant improvements, reflected in the strengthened governance structure in relation to financial management i.e. the regular meetings of the Audit and Risk committee under its terms of reference.

Payment processing

Wikimedia U.K. uses two primary payment processing methods to take donations online. The charity also accepts gifts given by other methods, namely electronic transfer, cash and cheque donations and CAF remittances. The processing and handling of gifts continues to be done by a limited number of staff as detailed in the charity's access control documents and is subject to the procedures defined by that charity's Finance protocols. This is also managed in accordance with the terms and conditions of the charity's data protection insurance policy.

Paypal

The charity uses Paypal Web payments pro which is PCI DSS compliant, and the charity has completed the routine annual security check as a part of its security standards. Staff access is limited by role and detailed through the charity's access control documentation. This payment processor supports donors who wish to make a donation using a credit or debit card, and ensures that cardholder details are not stored or processed by the charity.

The Paypal extension and API is activated in the charity's database and therefore donor gifts are recorded automatically against donor contact records.

SmartDebit

The charity uses SmartDebit to process regular donations set up under direct debit agreements. As a payment processor, Smart Debit continues to be awarded the highest level of accreditation granted by BACS (the governing body behind Direct Debit) and allows donors to set up recurring gifts protected by the direct debit guarantee. Cardholder details are not taken by this payment processor, which means it is not required to be certified as PCI compliant, but it is fully ISO 27001:2005 certified.

Details of these payment processors their accreditation and the agreements covering their terms of use can be reviewed here -

https://wikimedia.org.uk/wiki/Third_Party_Payment_Processors

Privacy

Confidentiality

The chapter has an up to date registration with the Information Commissioner's Office - the UK's independent authority set up to uphold information rights in the public interest, promoting openness by public bodies and data privacy for individuals. It's entry details its use of data, including the charity's use of donor data and is publicly viewable.

All staff contracts place a requirement on staff with regards to confidentiality in accessing any personally identifiable information. All Trustees are required to sign the [Trustee Code of Conduct](#) in the course of their induction, although their access to donor data is in any event limited to being advised by the staff of intended gifts over £1,000 (trustees do not routinely access donor records)

Donor Data

Donor data specifically is subject to the following policies in terms of processing, storage and access:

- [Donor Privacy Policy](#)
- [Data Protection Policy](#)
- [Confidentiality Policy](#)

Staff have all received data protection training as a part of their induction, and there are limitations to staff who can access donor data as described through the access control policy and access control list.

The charity is committed to regular review and data cleanse of donor name and address data in order to comply with Data Protection Principle 4, as set out in the UK Data Protection Act 1988: 'Personal data shall be accurate and, where necessary, kept up to date.'¹ This is important to make sure that we are only sending information about events to donors based on an updated address, as invites are usually made on the basis of geographic proximity.

The charity has also recently created an online 'Update your address' form and this will shortly be linked to in all footers in outgoing emails as standard. All emails contain as standard both unsubscribe and opt out footers, and those who have requested to opt out by any and all methods will not be contacted this way.

In addition, Wikimedia UK has become a member of the Fundraising Standards Board. This has

¹ http://ico.org.uk/for_organisations/data_protection/the_guide/the_principles

created an extra level of protection for donors by committing the charity to meeting the standards of Institute of Fundraising's [Code of Practice](#) and use the FRSB's [Fundraising Promise](#) to ensure donors get the best experience. The Fundraising Manager is an associate of the Institute of Fundraising and regularly attends specialist training to ensure the charity is up to date with best and effective practice in fundraising and stewardship.

Site and systems security

Site Security

The chapter was asked by the Foundation in 2012 to commission a security review in order to demonstrate that it maintained 'legally-compliant, industry security infrastructure for the networks and systems processing' [sic] required by the 2012 chapter Fundraiser Agreement.

The resulting report detailed the chapter's current arrangements in terms of handling payments and donor data in a secure manner - not only in processing the data but in terms of policies and training to ensure secure staff use of data.

It concluded; "During the course of my review I identified areas in which WMUK were compliant with recommended policies and procedures, but needed to codify (or expand/organise existing policies) these practices into an overall IT Security Policy. This policy is now in place following my advice. Given the above, upon review of the information presented to me, I believe WMUK is able to handle donor data securely in line with relevant legislation..."

The chapter has commissioned an updated review from the author of the 2012 document, who is contracted to work for the chapter as one of two developers, and has been key in instituting many of the incremental improvements. His full report is attached as an Appendix A: WMUK Security Review and provides a narrative of the many improvements instituted by the chapter since October 2012 with regards to site security. There are some next steps that have been identified as part of the ongoing process of continuous improvement in this area, but none of those ongoing plans impact the overall conclusion that WMUK is able to handle donor data securely in line with relevant legislation.

Systems Security

An outcome of the original 2012 Security Audit was the recognition that the charity needed to strengthen its Data governance through an overarching policy and series of attendant operational procedures that set out how the charity's staff and volunteers might access, transfer or use data. The Board of Trustees formally approved [Wikimedia UK's security standards](#) in February 2013. Those have been working well and been joined by a specific Website Privacy Policy (which covers all user interaction with sites we host, not just specifically donor data)

Donor Communications

Fulfilment

Fulfilment refers to the process by which donors are informed and thanked on the instance of making a gift. The chapter has clear processes where donors of larger gifts are thanked directly by the Chief Executive, and all donors receive a receipt of their transaction for their records. Major gifts are subject to the chapter's [Donation and Grant Acceptance procedures](#) including due diligence with regards to the origins of major donations and meeting obligations to keep the Board of Trustees informed.

We want to move away from thanking individual donors one by one, as that is not easily scalable to larger numbers. The Fundraising Manager will be working with contracted developers to set up automated emails directly for the chapter which confirm the amount of gift and also prompt the donor to make a gift aid declaration if they have not already done so. This improvement in communications efficiency is now possible as a result of work undertaken in 2013 to improve and consolidate the use of the chapter's donor database, and will in 2014 significantly reduce the amount of routine fulfilment work required to be done manually by staff.

Stewardship

In the UK context 'stewardship' is taken to mean the process by which donors are kept informed on an ongoing basis about the impact of their donations, and by which donors allowed to control the type and nature of regular communications they receive from the organisation they have supported. [The Institute of Fundraising definition](#) refers mostly to this in the context of larger donations, but Wikimedia UK wishes to offer an appropriate level of stewardship to any donor.

The WMF Fundraising team have an informal commitment to contact donors only very infrequently, based on a belief that donors see anything more as unnecessary and unwelcome. They essentially contact donors only in relation to the annual fundraising appeal, and offer an opt-in for donors to sign up to receive financial updates.

Normal and accepted practice in the UK charitable sector generally falls somewhat above this level of contact, and it would be absolutely expected from a UK cultural norm that donors to Wikimedia UK will welcome limited but rather more regular contact that is timely and relevant (with full options to opt out at any time).

Currently the chapter has an ad hoc agreement with the Wikimedia Foundation to distribute it's quarterly e-newsletter to UK donors who have given to the foundation as well as distributed to it's own donor contacts. The first such distribution was delivered in the first week of March 2014. Previous newsletters have been well received but ad hoc arrangements such as this for not represent a good long-term approach to stewardship.

By stewarding our own donor records we will be in a position to offer an extra level of engagement to those who do want to hear from Wikimedia UK more frequently and perhaps become involved as volunteers as well as donors.

We will be achieving this in 2014 via an optin mailing list for chapter supporters as 'Friends of Wikimedia UK', and limited, highly-relevant invitations to events either on the basis of donor location or expressed interest in areas of outreach.

The chapter feels it will be an important demonstration of its impact and role if it demonstrates it can offer donors a way to engage with the Wikimedia mission beyond making a financial gift should they wish.

In terms of dealing with incoming queries the chapter uses an in-house installation of OTRS with a fundraising queue that is monitored by the fundraising manager and accessible by two other members of staff as cover. The chapter has a commitment to resolving all donor queries within two working days where possible, and has [a formal complaints handling process](#) should a donor feel their feedback or request was not handled to a high standard.

Appendices

- WMUK Security Review, February 2014

Further reading

- [WMUK Security standards](#)
- [WMUK Donation and Grant Acceptance Policy](#)
- [WMUK Supporter Complaint procedure](#)
- [WMUK Data protection policy](#)
- [WMUK Confidentiality Policy](#)
- [WMUK Donor Privacy Policy](#)
- [WMF Data Retention Policy](#)
- [IoF Code of Fundraising Practice](#)
- [Fundraising Standards Board 'Fundraising Promise'](#)
- [HMRC Gift Aid Scheme](#)
- [Charity Commission \(CC8\) guidance](#)
- [Committee of Advertising Practice](#)
- [WMF 2012/13 Fundraiser Agreement](#)
- [WMF Board of Trustees 2011 Letter on Fundraising Accountability](#)

Appendix A: Security Update, February 2014

This update represents the changes and improvements that Wikimedia UK have made to their IT security since the initial review in October 2012. Over the interim period significant improvements have been made to the issues discussed in the previous report.

Site Security

The move to Rackspace Cloud Servers was completed in the first quarter of 2013. The infrastructure consists on three servers containing multiple services; one containing community or public data, one for confidential data and one for services such as email and mailing lists. Rackspace has a London data centre, which Wikimedia UK uses, which complies with EU data regulations (Data Protection Act).

Operation System security updates, such as software patches, are installed on roughly a fortnightly schedule by Wikimedia UK's contractors, in line with best practices.

Website software operated by Wikimedia UK includes; MediaWiki, Wordpress, Moodle, Piwik (visitor statistics), QRpedia and CiviCRM (Drupal). With the exception of QRpedia, this is third party software with their own release cycle.

MediaWiki has an approximately two month release cycle, and is updated on Wikimedia UK's servers within two weeks of a release. This is due to updates being a more complicated process. Wordpress is updated at infrequent intervals, but the release is rolled out to Wikimedia UK's servers within a couple of days. Piwik, again, has infrequent updates that are quickly deployed.

Moodle releases are infrequent, but currently upgrades are not rolled out. Recently Moodle was updated from version 2.3.2 to version 2.6.1 which required significant preparatory work. Frequency of Moodle upgrades are currently an area needing to be examined by the charity.

CiviCRm, and it's underlying platform Drupal, is not currently updated regularly. This is due to the complexity of the process and the critical importance of the software. Updates require down time and the charity needs to examine methodologies to improve this process.

QRpedia development has no release pattern; security fixes are investigated and patched by Wikimedia UK contractors. The Technology Committee is currently discussing development/security responsibility for the software.

To improve end-user security, Wikimedia UK purchased and installed a wildcard SSL certificate (*.wikimedia.org.uk) in Q2 2013. The certificate was purchased following an appraisal process (https://wikimedia.org.uk/wiki/IT_Development/Proposals/SSL) involving the Technology Committee.

One of the key reasons for implementing site-wise SSL was to secure communications on the donate.wikimedia.org.uk domain, which is the CiviCRM software used to process (and transmit) donor data.

Data Security

During 2013, Wikimedia UK's main wiki was migrated from control of the Wikimedia Foundation to being hosted by the charity directly. The intent was to improve data security for casual visitors to the charity's web properties by ensuring that no visitor data was transmitted out of the EU.

QRpedia was migrated to Wikimedia UK servers between Q4 2013 and Q1 2014. As part of this move the code was audited; it was identified that the statistics tool was disclosing visitors IP addresses. To close this gap, the code was modified to track statistics using Piwik - which provides the same data in an anonymous fashion.

During 2013 the PRISM scandal (US & UK monitoring of internet traffic) occurred, and the WMUK Technology Committee discussed its impact on the charity. Currently Wikimedia UK uses Google Apps as a provider. The committee discussed whether this needed to be reviewed in light of the PRISM scandal, and asked one of the contractors to examine the matter in more detail. To date, no firm decision has been made as to whether there are valid alternatives to move to.