



Public fundraising and the COVID-19 crisis

Performance audit

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FULL REPORT (FR) 

What we assessed and why

We audited five philanthropic organisations (Croix-Rouge française, Fondation de l'AP-HP, Fondation de France, Fondation des Hôpitaux, Institut Pasteur) whose mission statements focus directly on health and social needs. Between them, the five raised more than €200 million in donations, bequests and sponsorship to help with the COVID-19 crisis. We assessed how this money was collected and how it was spent.

What we found

To deal with the rush of donations and respond rapidly to the urgent needs generated by the crisis, the organisations were obliged to adjust their operating procedures and arrangements for onward funding. Being forced to depart from their usual fundraising methods, they also demonstrated a capacity for innovation by using every electronic means available (SMS marketing, TV programmes, emails, crowd-funding, gaming, etc.) to call for donations and inform donors about their activity. Lastly, the charities were obliged to adapt their approach to selecting and financing projects in order to balance the quality and reliability of operations with the need for a rapid response.

Simplified funding rules meant that money could be deployed quickly; as a result, by the end of 2021 more than 70 % of the money raised for COVID-19 purposes had been spent. It was used with varying intensity for projects in a range of areas – more than half on patient and carer support actions, 22 % on medical research, and 21 % on helping vulnerable people. While the bulk of donations went to measures to combat the immediate effects of the crisis, some of the total was allocated to medium or long-term projects requiring multiannual funding, such as the promotion of more staff to nursing posts and the creation of rest areas for carers.

We found that although the response to the health crisis was quick and flexible, donor information arrangements could be improved, both upstream (when calling for donations) and downstream (feedback on concrete projects).





Given the urgency of the situation, there were no specific announcements at regional (*département*) level of calls for donations to mitigate the effects of COVID-19. However, the bundling of calls was detrimental to donor transparency. Similarities and overlaps in the charities' names and mission statements (e.g. the Fondation de l'AP-HP and, before it registered a new name, the Fondation des Hôpitaux) could be confusing, as could the fact that the Fondation de l'AP-HP and the Institut Pasteur subscribed to the "United against the virus" campaign while simultaneously making their own separate calls for donations. The vague choice of words during calls, which did not always give all the specific reasons for fundraising, may have misled donors as to the projects they were supporting.

What we concluded

We concluded that clarification was needed to ensure that the entire fundraising sector was aware of the implications of the new accounting rules and could pass the information on to donors. Also, although voluntary in-kind contributions were essential to the definition of a charity's activities and should therefore be acknowledged and quantified, many were not duly accounted for. For example, the French Red Cross classified corporate donations as "third-party funding", although the accounting rules require donations made without commercial gain to be counted as sponsorship and recorded as "resources from public fundraising".

We recommended that the French Red Cross, Fondation de l'AP-HP, Fondation des Hôpitaux and Institut Pasteur assess voluntary in-kind contributions as required by the new accounting rules. We also recommended that they report in full and in detail, before the end of June 2023, for each main type of action, on the use of funding raised in the context of the COVID-19 crisis.