

# BAHÁ'Í FUNDS

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## Why are the Bahá'í Funds important?

... the progress and extension of spiritual activities is dependent and conditioned upon material means.

*Shoghi Effendi, Principles of Bahá'í Administration, p. 93*

## Is giving to the Bahá'í funds a sacred responsibility?

Every Bahá'í, no matter how poor, must realise what a grave responsibility he has to shoulder in this connection, and should have confidence that his spiritual progress as a believer in the World Order of Bahá'u'lláh will largely depend upon the measure in which he proves, in deeds, his readiness to support materially the divine institutions of His Faith.

*Letter written on behalf of Shoghi Effendi to a National Spiritual Assembly,  
17 July 1937*

... the believers should come to see themselves not simply as members of a local entity, but as part of a larger community with responsibilities for the work of the Faith all over ... and indeed, in all parts of the world. Their contribution to the various funds of the Faith should be guided by a consciousness of that responsibility.

*Letter from the Universal House of Justice to a National Spiritual Assembly,  
15 May 1998*

## What are some of the spiritual principles underlying contributions to the Bahá'í Fund?

To give and to be generous are attributes of Mine; well is it with him that adorneth himself with My virtues.

*Bahá'u'lláh, The Persian Hidden Words No. 49*

As to the idea of 'giving what one can afford': this does by no means put a limit or even exclude the possibility of self-sacrifice. There can be no limit to one's contributions to the National Fund. The more one can give the better it is, especially when such offerings necessitate sacrifice of other wants and desires on the part of the donor. The harder the sacrifice the more meritorious will it be, of course, in the sight of God. For after all it is not so much the quantity of one's offerings that matters, but rather the measure of deprivation that such offerings entail. It is the spirit, not the mere fact of contributing, that we should always take into account when we stress the necessity for a universal and whole-hearted support of the various Funds of the Cause.

*Letter from Shoghi Effendi to an individual believer, 31 December 1935*

## Are contributions voluntary?

It is important to note that contributions must be entirely voluntary and individual believers cannot be compelled to donate. The only way in which an Assembly may seek funds is by a general appeal to its community:

... I feel urged to remind you of the necessity of ever bearing in mind the cardinal principle that all contributions to the Fund are to be purely and strictly voluntary in character. It should be made clear and evident to everyone that any form of compulsion, however slight and indirect, strikes at the very root of the principle

underlying the formation of the Fund ever since its inception. While appeals of a general character, carefully-worded and moving and dignified in tone are welcome under all circumstances, it should be left entirely to the discretion of every conscientious believer to decide upon the nature, the amount, and purpose of his or her contribution for the propagation of the Cause.

*Letter from Shoghi Effendi to a National Spiritual Assembly, 10 January 1926*

## **Who may contribute to the Bahá'í Funds?**

Only Bahá'ís are permitted to contribute to the Bahá'í Funds:

One of the distinguishing features of the Cause of God is its principle of non-acceptance of financial contributions for its own purposes from non-Bahá'ís: support of the Bahá'í Fund is a bounty reserved by Bahá'u'lláh to His declared followers. This bounty imposes full responsibility for financial support of the Faith on the believers alone.

*Letter from the Universal House of Justice to the Bahá'ís of the World, Naw-Rúz 1974*

Bahá'ís should not go into debt in order to contribute.

Even though Shoghi Effendi would urge every believer to sacrifice as much as possible for the sake of contributing towards the fund of the National Assembly, yet he would discourage the friends to incur debts for that purpose. We are asked to give what we have, not what we do not possess, especially if such an act causes suffering to others. In such matters we should use judgement and wisdom and take into our confidence other devoted Bahá'ís.

*Letter written on behalf of Shoghi Effendi to an individual believer, 4 May 1932*

## **May children, one or both of whose parents are not Bahá'ís contribute to the Fund?**

The Universal House of Justice has received your letter asking whether children of non-Bahá'ís or children one of whose parents in a Bahá'í are allowed to contribute to Bahá'í funds, and we have been asked to say that in both cases, if the child wishes to be a Bahá'í and his parents do not object, he may be treated as any other Bahá'í child. However, if the parents object to their child's being a Bahá'í, this contribution may be accepted for charitable purposes, including use for Bahá'í schools where both Bahá'ís and non-Bahá'ís are accepted as pupils.

*Letter written on behalf of the Universal House of Justice to the National Spiritual Assembly of India, 31 August 1975*

## **May Baha'is without voting or administrative rights contribute?**

Bahá'ís without voting rights are not permitted to contribute.

Bahá'ís without voting rights may not contribute to the Funds. As contributions to Bahá'í Funds are used to support the administration of the Faith, they should not be accepted from those who are deprived of their voting rights.

*Letter from Shoghi Effendi to a National Spiritual Assembly, 8 May 1947*

## What if a person who is not a Bahá'í wishes to make a contribution?

Contributions from non-Bahá'ís may be accepted with the provision that they will be used only for charitable and humanitarian purposes:

In cases ... when a friend or sympathiser of the Faith eagerly insists on a monetary contribution for the promotion of the Faith, such gifts should be accepted and duly acknowledged by the elected representatives of the believers with the express understanding that they would be utilised by them only to reinforce that section of the Bahá'í Fund exclusively devoted to philanthropic or charitable purposes.

*Letter from Shoghi Effendi to the Bahá'ís of the United States and Canada,  
25 October 1929*

The crucial point in deciding whether or not funds may be accepted from non-Bahá'í sources is the purpose for which the funds are to be used. As you know, it is absolutely forbidden in the Faith to accept from non-Bahá'ís contributions towards the work of the Cause itself. However, in addition to the work of spreading the Faith and establishing its institutions, Spiritual Assemblies also engage in humanitarian activities, and contributions from non-Bahá'í sources may be accepted towards such activities. Indeed, although we never ask individual non-Bahá'ís for funds, it sometimes happens that a person who has a great admiration for the Faith insists on contributing. In such a case the contribution may be accepted, with the express provision that it will be used only for charitable and humanitarian purposes.

*From a letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 6 March 1983*

## What different Funds are there?

The following funds require the support of the believers and Assemblies for the work of their respective institutions or agencies:

### **National Funds**

- Bahá'í National Fund, including the Regional Branches operated by the Bahá'í Regional Councils
- Deputisation Funds: e.g. Pioneering, Training Institute Board
- Guardian's Resting Place Fund
- Guardian's Resting Place Endowment Fund

### **International Funds**

- Bahá'í International Fund
- World Centre Endowment Fund
- International Collaboration Fund
- International Deputisation Fund
- Continental Fund (Europe)
- Temples Fund
- Chile Temple Fund
- European Temple Fund

Donations to the all the above funds, as well as Ḥuqúqu'lláh payments, should be made

payable to *NSA of the Bahá'ís of the UK* and sent to:

Finance Office  
The National Spiritual Assembly of the Bahá'ís of United Kingdom  
27 Rutland Gate  
London SW7 1PD

A single cheque can be made out to the *NSA of the Bahá'ís of the UK* with clear instructions about how much is to go to each of the Funds.

Individuals and Assemblies can also use standing orders when contributing to the National and other Funds. Again, it should be made clear how the money should be allotted.

Contributions to Regional Branches of the National Fund operated by Bahá'í Councils may be sent directly to those institutions, but may also be sent to the Finance Office.

The Finance Office will also send a receipt for all donations, whether earmarked or not in order for the donor to have a record of their contribution.

### **Should individuals and Local Spiritual Assemblies contribute to all the Funds?**

Yes. Both Assemblies and individuals have a responsibility to contribute. As noted above, there are four levels: local, national, continental and international. Individuals can contribute to all four whilst Local Assemblies should contribute to the three levels. Individuals should be made aware that they have an obligation to contribute directly to these Funds, over and above that part of their contribution to the Local Fund:

We therefore appeal to the friends everywhere to exercise the utmost economy in the use of the funds and to make those sacrifices in their personal lives which will enable them to contribute their share, according to their means, to the local, national, continental and international funds of the Faith.

*Letter from the Universal House of Justice to the Bahá'ís of the World, , Naw-Rúz 1979*

Assemblies must likewise ensure that contributions given to them for forwarding to other Funds are not counted as part of the Assembly's own budgeted allocation to that Fund:

In your letter of September 28, 1953, you mentioned the sum of ... as being included in the amount allocated from your Assembly's Budget to the World Centre. The principle involved is as follows: The Guardian feels that your Assembly when allocating its annual budget, and having stipulated what sum is for the purposes of the International Centre of the Faith, should immediately pigeon-hole that sum to be at the Guardian's disposal. Any monies received as contributions from the Bahá'ís for the International Centre should not be credited to this account which represents a national joint contribution, and has nothing to do with individual or local contributions forwarded to the World Centre in your care.

*Letter written on behalf of Shoghi Effendi to a National Spiritual Assembly, 20 June 1954*

The Local Assembly should advise the friends in its community to make the purpose of their donations clear if they are to be forwarded on their behalf to a National,

Continental or International Fund, otherwise it will be assumed that it is a donation to the Local Fund.

### **Should the believers contribute directly to the National Fund?**

The friends are encouraged to make donations to the National Fund as the progress of the Cause in ... (especially the teaching activities) is reliant upon the contributions by the friends. The National Assembly creates a budget yearly which is shared with the friends so that contributions to other funds can be efficiently budgeted.

The need, therefore, is to make clear to individual believers and Local Spiritual Assemblies how they should express their earmarkings so that the National Assembly can know whether a contribution is intended to be towards any particular segment of the national budget or to be a separate contribution merely passed through the National Assembly. In view of the Guardian's statement one should assume that, unless there is an indication to the contrary, an earmarked contribution is intended to be over and above the allocation made out of the National Fund.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 18 January, 1968*

### **What is the World Centre Endowment Fund?**

This Fund was introduced to the Bahá'í community shortly after the completion of the Arc Project and Terraces. In a letter to the Bahá'ís of the World, the Universal House of Justice explained the purpose of this Fund and the responsibility of the friends:

This Endowment Fund, to which you are urged to contribute, beyond your general support of the Bahá'í International Fund, will initially be used to defray the related expenses, estimated at the present time to be seven million dollars annually. Whatever balance remains unexpended at the end of each year will be retained as an earmarked fund and, as it grows in the years ahead, will provide a continuing source of investment income dedicated to maintaining the magnificent setting of these Holy Places. These precincts were created gradually, during the past century, through the sacrificial outpouring of resources by the believers who responded to the vision of Bahá'u'lláh and supported the strenuous endeavours of the Master and the Guardian. It is essential that this splendour, befitting so sacred a place, be preserved undiminished in the decades and centuries ahead.

*Letter from the Universal House of Justice to the Bahá'ís of the World, 12 November 2001*

### **May Local Spiritual Assemblies and individuals contribute to Bahá'í projects in other countries?**

Yes. Individuals and Assemblies are free to make donations either directly to the project concerned, or through the Bahá'í institutions:

It is very commendable for individual believers as well as Local Spiritual Assemblies to wish to help children in developing countries by contributing towards their education costs. There are no guidelines set for this purpose. However, as we understand it, individual friends are free to make donations of



this nature either directly to a school of their choice or through Local or National Spiritual Assemblies.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 14 April 1988*

## **Is it permissible for Local Spiritual Assemblies and individuals to earmark donations for specific purposes?**

Yes:

... any donor, Assembly or individual, has the right to specify the purpose intended for any contribution of funds or property.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 22 June 1980*

The practice, however, has its limitations, as it is better to leave the recipient free to expend the funds in the manner of most use to the Faith:

Regarding your question about contributions: it is up to the individual to decide; if he wishes to devote a sum to a specific purpose, he is free to do so; but the friends should recognise the fact that too much labelling of contributions will tie the hands of the Assembly and prevent it from meeting its many obligations in various fields of Bahá'í activity.

*Letter from Shoghi Effendi to a National Spiritual Assembly, 23 June 1950*

In general, although it is permitted for the friends to earmark contributions, it is apparent that it is often better that the friends allow the Assembly to use their contributions without restricting them. Furthermore, an Assembly is by no means obligated to accept an earmarked contribution; if it does, however, it is bound to respect the earmarking.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 21 August, 1980*

## **What principles apply to the earmarking of contributions?**

The following principles apply:

1. A Local Spiritual Assembly does not have to accept an earmarked contribution, but is bound by the conditions of the earmarking if it does accept it.

1. Although any donor, Assembly or individual, has the right to specify the purpose intended for any contribution of funds or property, if, in the judgement of your National Assembly, such contribution would be impractical or unwise for you to accept, you would be under no obligation to do so.

2. If after consultation with the donor an agreement is not reached that you deem necessary, or you are unable to have the specified donation assigned to a more practicable purpose, the contribution should be returned to the donor.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 22 June 1980*

2. A Local Spiritual Assembly may not use earmarked funds for any other than their designated purpose.

The beloved Guardian was very emphatic that contributions to Bahá'í funds, given for specified purposes, may only be used for those purposes, unless the donor consents to a change. If the Assembly cannot use the contribution for purpose specified, it may refuse to accept it. Alternatively it could consult the donor and suggest that he release the contribution for general purposes or transfer it to another specified one, but no pressure should be exerted to force his acquiescence.

*From a letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 30 December 1984*

3. The donor cannot change the earmarking without the agreement of the Local Spiritual Assembly, once the Assembly has accepted the donation.

... once money has been contributed to an Assembly, it is the property of that Assembly, even though earmarked for a specific purpose, and the donor has no right to change its purpose unilaterally. The Assembly, however, may, at its own discretion, accept his request to do so.

*From a letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 30 December 1984*

4. The Local Spiritual Assembly has a duty to preserve the real value of the earmarked funds.

... in the case of earmarked funds, where the Assembly has a duty to the donor or donors to preserve the value of the fund until such time as it can be used for the designated purpose. In such a case, when the value of the currency is itself depreciating, one method of upholding the real value of the earmarked fund is to add back to the principal all income earned on it, even if the donor has not specifically earmarked the income to be earned on his contribution.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 19 March 1985*

5. The Local Spiritual Assembly must keep earmarked funds distinct from its other funds.

This question of the proper accounting for earmarked is very important. The account books of any Assembly should be designed in a way that will always clearly distinguish between earmarked funds and funds freely at the disposition of the Assembly, so that there will be no danger of the Assembly's inadvertently commingling them and spending earmarked funds for the wrong purpose.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 6 August 1984*

6. Proceeds from the sale of earmarked property retain the earmarking of the property.

As to the proceeds from the sale of Bahá'í property ... If the property was donated or purchased with funds earmarked for that specific purpose, the proceeds of the sale of the property retain the earmarking unless the donor has specifically provided otherwise. If the donor or donors are not living, or refuse to release the earmarking, the proceeds should be used for the same purpose. If that purpose has already been fulfilled (i.e. an alternate property has already been acquired), the surplus should be used to the extent possible in a manner having regard for the original intention of the donor or donors, e.g. to maintain or improve the property.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 21 August 1980*

7. Should circumstances change so as to invalidate or make less relevant the

original purpose of the earmarking, the Assembly should advise the donor, consult with him or her concerning the advisability of the earmarking conditions in the changed circumstances and receive the donor's advice.

If the project for which the funds have been given is abandoned, the contribution should be returned to the donor unless he agrees that it may be used for other purposes. Strict adherence to the principles regarding the earmarking of the funds is extremely important for many reasons, including the maintaining of the confidence of the friends on matters pertaining to the Fund."

*From a letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 21 June 1979*

## FORMS OF CONTRIBUTIONS

### What is Gift Aid?

A separate document has been prepared about Gift Aid. Local Assemblies should be aware of its contents and encourage Bahá'ís to donate this way whenever possible.

### Can a Local Assembly process Gift Aid donations to recover the tax?

No. The National Assembly's policy at this time is for all Gift Aid donations to be processed by the National Finance Office. Any donation for the Local Fund from a tax payer who is donating by Gift Aid should be forwarded to the National Office. The National Assembly will return the amount donated. The tax recovered will be allocated to the National Fund.

### What is a standing order?

Standing orders are an automatic way for monies to be paid out of a bank account on a regular basis to a nominated payee.

The believers can contribute to Local, National, Continental and International Funds by filling out a 'Standing Order Form', available from the National Office, or directly from their banks. The donation can be earmarked for most funds, including the Local Fund, and will be separated accordingly by the Finance Office.

This method of donating to the Fund has many advantages:

1. It is the cheapest and most convenient method of donating to the Fund.
2. The friends can donate to the Fund when absent from a Feast.
3. Regular donations allow a more accurate projected income to be used for budgeting.

Local Assemblies may also donate to other funds by setting up a standing order. The reference on the standing order should be '[Town] local Assembly' and not 'Local Spiritual Assembly of the Bahá'ís of [Town]' otherwise the Finance Office will just see 'Local Spiritual Asse' as the reference.

## What other contributions may be made to the Funds?

Typically contributions to the Local Fund are made by cash, cheque donations or through internet banking. Where the donor is a UK tax payer, the Local Treasurer should encourage the use of Gift Aid.

Contributions can also be made in other forms, direct to the National Assembly and the Local Treasurer should be aware of these:

### **1. Investments - stocks, bonds, shares, etc.**

Given that the Funds are under the care of the Assembly, it is for the Assembly concerned – Local or National – to determine how it will use such donations. It may sell them, or hold onto them. For an unincorporated Assembly, some investments, such as Certificates of Title to ownership of land, will need to be held on their behalf by the National Assembly as the unincorporated Local Assembly is not a legal entity.

### **2. Gifts in kind**

The Local Spiritual Assembly may sell gifts in kind and use the proceeds as it sees fit. The National Spiritual Assembly suggests that it is often preferable for such donations to be sold by the contributor. The donor is often in a position to attract a greater cash value for such gifts than the National Assembly, and thus donate the true value of gifts in kind to the Fund.

### **3. Donations made ‘in memory of’ or ‘in honour of’ particular individuals**

The believers are free to make such donations. The only point to bear in mind is that donations cannot be made ‘in the name of’ or ‘on behalf of’ non-Bahá’ís. If the donation is to the National Fund a card will be sent to either the person, or if they are deceased, their heirs to say that a donation has been made in their name. The amount of the donation is not disclosed on the card.

### **4. Pledges**

The friends may make written pledges of their hope or intention of making a contribution to any of the funds. Alternatively, the Local Spiritual Assembly may call for pledges. This can be a useful means of determining in advance whether the funds will be available for the financing of a major project. Note, however, that the redemption of such pledges is entirely a matter of conscience. The Assembly may remind the donor of the pledge and ask if it be possible for it to be honoured, but no pressure can be brought to bear to make the person pay:

Pledges can be useful as a means of encouraging contributions and of bringing the financial needs of the Cause to the attention of the friends. This method can be particularly helpful in a situation where a Spiritual Assembly has a major task to perform, such as the building of a Hazíratu’l-Quds or the establishment of a tutorial school, and needs to have some idea in advance of whether the funds for the project will be available. However, it would be entirely contrary to Bahá’í principles to bring any pressure to bear when calling for pledges or when endeavouring to collect them. Once a pledge has been given it is permissible to remind the donor, privately, of his expressed intention to contribute and to inquire courteously if it would be possible for him to honour his pledge, but

Assemblies must be aware that such pledges are not an obligation in any legal sense; their redemption is entirely a matter of conscience. Lists of those making pledges must not be publicised.

*Memorandum of Comments and Suggestions attached to a letter from the Universal House of Justice to all National Spiritual Assemblies, 7 August 1985*

## **5. Property**

Incorporated Local Spiritual Assemblies may accept donations of property. For an unincorporated Assembly, property will need to be held on their behalf by the National Assembly.

## **6. Estate Bequests**

The Local Spiritual Assembly may dispose of a bequest as it considers best, within the legal terms of the will. Note that an Assembly does not have to accept a bequest if the conditions attached to its acceptance would impose an unreasonable financial burden on the Assembly, or if fulfilment of the conditions would not be in the best interests of the Faith:

In the eyes of Bahá'í Law a will is sacred and thus, when a testator makes a bequest to a Spiritual Assembly and attaches thereto certain duties and conditions, the Assembly has the responsibility to fulfil them. However, if the will imposes an unreasonable financial burden or a condition which could become an unreasonable financial burden, or if fulfilment of the conditions would be prejudicial to the best interests of the Faith, the Assembly may have no alternative to refusing the bequest, for if it accepts the bequest it is in honour bound to fulfil the conditions.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 10 January, 1978*

## **RESPONSIBILITIES OF THE LOCAL SPIRITUAL ASSEMBLY**

### **Must a Local Spiritual Assembly have a local Bahá'í Fund?**

Yes.

As the progress and extension of spiritual activities is dependent and conditioned upon material means, it is of absolute necessity that immediately after the establishment of local as well as National Spiritual Assemblies, a Bahá'í Fund be established, to be placed under the exclusive control of the Spiritual Assembly.

*Shoghi Effendi, Principles of Bahá'í Administration, p. 93*

### **What is the purpose of the Local Bahá'í Fund?**

The purpose of the local Bahá'í Fund is to further the interests of the Cause within the Assembly's area of jurisdiction. As a general principle, Shoghi Effendi advised that it is necessary to identify those areas that will give the best results and then to appropriate the necessary funds for them:

The financial questions that confront the Cause are all very pressing and important. They need a judicious administration and wise policy. We should study the needs of the Cause, find which field will give the greatest yield, and then appropriate the necessary funds. And such a task is surely most difficult and responsible.

*Letter from Shoghi Effendi to an individual believer, 19 December 1929*

If the Local Spiritual Assembly is responsible for the maintenance of any properties – for example, a Local Bahá’í Centre – it must ensure that a sum is regularly set aside for this.

## **How should a Local Spiritual Assembly proceed when setting up its Fund for the first time?**

As soon as a Local Spiritual Assembly is formed it should set up a local Fund:

1. Open a Charity Current Account. This type of account is free of bank charges.
2. Open the account in the name of: “Spiritual Assembly of the Bahá’ís of [insert name]”.
3. At least two people should sign each cheque (note, however, that these two signatories should not be husband and wife or another family member). The Assembly could have a policy of having smaller cheques sent with just the treasurer’s signature and larger cheques with two. In this case the local Assembly would need to set the limit.
4. There should be at least three people as signatories. Signatories to the account could be the treasurer plus chairman and secretary, although the Assembly could decide on different signatories if it wishes – particularly if the treasurer is related to the chairman or secretary.
5. If the Assembly wishes to do internet or telephone banking it will need to make its own decision of how this will happen and who will have access to passwords etc.

## **Who is responsible for managing the Fund?**

Routine management of the Fund is the delegated responsibility of the local treasurer. The Local Spiritual Assembly, however, retains overall responsibility..

The National Spiritual Assembly has the responsibility to ensure that contributions received are properly receipted, and satisfactory accounts kept of all receipts and disbursements. While the Treasurer normally is the officer in charge of such a sacred obligation, this does not mean that other members are thereby relieved of all responsibility.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 11 January 1977)*

A corollary of this responsibility is that the Local Spiritual Assembly also retains the right of access to details relating to the Local Bahá’í Fund.

... this does not mean that other members are thereby relieved of all responsibility, or are deprived of their right of access to details related to the current operation of the Assembly, in all its aspects. Such right and responsibility vested in the individual members of the Assembly do not vitiate the confidentiality of Bahá'í contributions, since the information made available to the Treasurer or other members of the Assembly is to be treated in strict confidence.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 11 January 1977*

As a general rule the Treasurer should not provide the Assembly with the names of individual contributors. Should the Assembly need this information in any particular case, however, it can request the Treasurer for details.

### **Must the Local Assembly authorise every transaction made by the Treasurer?**

All payments made by the Treasurer should first be authorised by the Local Spiritual Assembly, although the Treasurer may be authorised to make certain regular payments without reference to the Assembly each time a payment is made, e.g. regular commitments to the National Fund. In a certain respect this authorisation is given by the approval of the annual budget and provided the expenditure is within the approved budget, the Assembly may not require further approval of expenditure. Alternatively, authorisation can be given by the Local Spiritual Assembly by recording in the minutes a decision to pay a bill presented for payment by the Treasurer.

The Local Spiritual Assembly should clearly establish what the policies are in regards to authorization of payments. For instance, a Local Spiritual Assembly may set a policy that the payment for goods or services is fully authorised to be made when the decision is taken to incur the expense. Another arrangement could be that the Treasurer is authorised to make expenditures up to a certain amount, with any expense exceeding the set amount to be authorised by the Assembly. The nature of this arrangement is to be decided by the Assembly.

### **May a signatory to the Assembly bank account pre-sign a cheque?**

No. No one should sign a cheque before all the details have been completed, because their signature implies approval to the information written on the cheque. The purpose of requiring all cheques to be signed by two signatories is to protect the Assembly, and its Treasurer, from impropriety or suggestions of impropriety. This requirement should be observed strictly.

### **How should the Local Spiritual Assembly collect cash donations?**

Cash donations can be made into a fund box and can be placed in an envelope if friends want receipts.

As to your question: the friends can give their contributions to the Treasurer, or, if they wish to remain anonymous and give small sums, a receptacle can be provided. The Local Assembly can decide this matter.

*Letter written on behalf of Shoghi Effendi to an individual believer, 29 September 1951*

Cash donations into a fund box should be counted by two people, often the Treasurer and one other. This provides a protection for the Treasurer and assures the integrity of the process.

The box for anonymous donations should be receipted so there is a receipt for every donation made.

In general, if there are non-Bahá'ís present, a box should not be left for anonymous donations as it would be possible for them to put money into it.

Another important principle is that of confidentiality. The Assembly must not make the details of contributions public knowledge although it can announce the total amount collected at a Feast.

### **Is it possible for donations made at a Feast to be Gift Aided?**

Yes, as long as the Treasurer is aware of who has made the donation and that they want contributions that they make Gift Aided. The Treasurer needs then to forward the contribution to the National Spiritual Assembly's Finance Office for processing. Any cheques should be made out to the National Assembly rather than the local Assembly for ease of processing but cash donations can be passed on with a local Assembly cheque or by internet banking.

### **May the National Spiritual Assembly tell a Local Spiritual Assembly how to allocate its funds?**

The National Spiritual Assembly may make suggestions but it cannot intervene in an Assembly's plans unless a proposed action is clearly not in the best interests of the Faith.

When a donation is given to a Local Assembly, the Assembly itself should decide how the funds are to be used. The National Assembly may wish to suggest to the Local Spiritual Assembly ways in which the money could be more practically spent, but the final decision regarding the use of such funds rests with the local body. National Assemblies should avoid instructing their Local Spiritual Assemblies to allocate a certain percentage or portion of their local funds towards specific purposes. They may, however, suggest that the Local Assemblies contribute funds for priority projects in the national budget and suggest that the communities try to underwrite a part of the national budget. Any National Assembly is, of course, empowered to prevent an institution under its jurisdiction from taking any action regarding the use of funds which would not be to the best interests of the Cause. Such cases, however, are rare.

*Letter written on behalf of the Universal House of Justice to an individual believer, 17 October 1985*



## Should a local Assembly prepare a budget?

In order to be able to correctly plan its work, avoid extending itself beyond its financial capacities, and ensure that the best use is made of the resources of the community, a Spiritual Assembly needs to prepare a budget.

*Letter from the Universal House of Justice 30 January 1992*

Regarding the matter of the budget ... he feels that both wisdom and courage is required in this matter. You should not fix a budget which is too heavy for the community to meet, even with sacrifice. Both the pressing needs of the Cause and your Plan, as well as the foreseeable possibilities of your income should guide you.

*Letter written on behalf of Shoghi Effendi to the National Spiritual Assembly of the Bahá'ís of the British Isles, 29 April 1948*

## How should a Local Spiritual Assembly prepare its budget?

The Local Spiritual Assembly should prepare its budget with reference to the following factors:

1. An estimate of the funds likely to be available for the coming year. This can be calculated by examining actual contributions over the past few years in conjunction with the relative size of the community.
2. An estimate of actual costs. This can be obtained by examining actual expenditure in previous years on items such as administration, teaching projects and so on.
3. The Assembly's proposed plans for the coming year. These, in turn, are partly dependent on the financial resources available.

The task of drafting the budget is normally delegated to the Treasurer; however, the Assembly has the responsibility of reviewing and approving the budget. It is also desirable for the Local Spiritual Assembly to consult with its local community whilst formulating the budget.

## When should the Local Spiritual Assembly's financial year be?

Although the end of the Bahá'í calendar year is 20 March, the end of the financial year for the National Spiritual Assembly is 31 December. The reason the National Assembly uses these dates is to allow the Finance Office sufficient time to finalize the Annual Report so that the Delegates can read it before National Convention.

Spiritual Assemblies and Bahá'í groups may choose the dates they wish to use for their annual financial year.

Incorporated Assemblies should check whether the conditions of their incorporation (various Acts) provides for a maximum permissible period between the close of financial year and Annual General Meeting, given that the Annual General Meeting is fixed at the first day of Ridván.

## How should the Local Spiritual Assembly prepare its Annual Financial Report?

The Annual Financial Report might include the following information:

1. total contributions received
2. total expenditure
3. an estimate of the percentage of the community contributing to the Fund

Although preparation of the Financial Report is delegated to the Treasurer, the Assembly as a whole has the responsibility of ensuring its accuracy.

## Must a Local Spiritual Assembly arrange for an audit of its financial records?

Although most Local Assemblies do not meet the legal threshold requiring a full audit, the National Assembly does require that all incorporated Assemblies accounts are checked externally. Accounts should be sent to the National Finance Office as soon as possible, once a bank statement has been received after the end of the financial year. The preferred way for the accounts to be presented is in a separate document.

It should be noted that the need to employ an external auditor does not violate the confidential nature of contributions to the Fund:

... there is no objection to a National Spiritual Assembly's appointing auditors, whether Bahá'í or non-Bahá'í to audit its books of accounts as required by law. The function of a professional auditor is by its nature a confidential one and the fact that the auditor will have to see the records of contributions does not violate the principle of confidentiality.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 26 April 1982)*

## How often should the Local Spiritual Assembly receive reports from its Treasurer?

Most Local Spiritual Assemblies request their Treasurer to report at each Assembly meeting. The Assembly records in its Minutes the current balance of the Fund, donations received, and expenditures out, since the previous meeting.

## How often should the Local Spiritual Assembly report to its community?

The Universal House of Justice has encouraged Assemblies to keep in regular contact with their communities:

Assemblies should take the members of their communities into their confidence, and regularly inform them of the uses to which the Fund is put and the projects for which money is needed.

*Memorandum of Comments and Suggestions attached to a letter from the Universal House of Justice to all National Spiritual Assemblies, 7 August 1985*

It is the responsibility of the Local Spiritual Assembly to advise the friends of the uses and needs not only of the Local Funds, but of all the Funds:

It is ... important for the Assemblies to frankly lay the financial needs of the work before the friends, to explain to them the importance of the wholehearted, universal and regular support of the Bahá'í Funds.

*Letter from the Universal House of Justice, 13 April 1975)*

The Treasurer should present a financial report to the community on behalf of the Local Spiritual Assembly regularly at the Nineteen Day Feast. Although the extent of the report is left to the discretion of the Assembly it is helpful if it includes a statement of the Local Spiritual Assembly's income for the year-to-date compared with the budget for the year-to-date.

### **What responsibility does the Local Spiritual Assembly have for deepening the community in the importance of contributing to the Fund?**

This is an important aspect of the work of a Local Spiritual Assembly in relation to the Funds of the Faith. Some of the Assembly's responsibilities include:

1. To educate the friends in the distinctive features of the Bahá'í Funds and the spiritual principles on which contributing is based:

A corollary to the sacred obligation of the friends to contribute to the Funds of the Faith, is the direct and unavoidable responsibility of each Local and National Assembly to educate them in the spiritual principles related to Bahá'í contributions. Failure to educate the friends in this aspect of the Faith is tantamount to consciously depriving them of the spiritual benefits accruing from giving in the path of God.

*Letter from the Universal House of Justice to all National Spiritual Assemblies receiving assistance from the Bahá'í International Fund, 13 April 1975*

2. Deepening of new believers is particularly important:

Giving to the Fund ... is both a responsibility and a source of bounty. This is an aspect of the Cause which, we feel, is an essential part of the basic teaching and deepening of new believers.

*Letter from the Universal House of Justice to all National Spiritual Assemblies, 7 August 1985*

3. To educate those friends responsible for administering the Funds in the importance of trustworthiness:

It is important for your Assembly ... to explain to persons who are entrusted with the money of the Faith that in view of the National Assembly's obligation to protect Bahá'í Funds, the Assembly will hold them responsible for all monies they receive, and they should therefore render proper accounts to the National Spiritual Assembly, be faithful custodians of God's trust, and be assured that such honesty and faithfulness will be richly rewarded from on High.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 18 May 1980*

4. To educate the friends in the importance of contributing to all Funds:

In the matter of educating the friends in the importance of the fund, it is often most practical and efficacious to concentrate at first on the development of the local funds and the efficient operation of the Local Spiritual Assemblies. Then, once the friends understand the principle, and learn from experience at a local level, they will then more easily understand the importance of the national fund and the work of the National Spiritual Assembly.

*Letter from the Universal House of Justice to all National Spiritual Assemblies receiving assistance from the Bahá'í International Fund, 13 April 1975*

Useful deepening materials include:

- The deepening in Book 2 of the Ruhi Institute on the Funds of the Faith.
- The Universal House of Justice compilation *Lifeblood of the Cause* (Revised edition. Bahá'í Publishing Trust, UK, 1989).
- This document.

## To whom can the Local Spiritual Assembly turn for assistance?

Local Spiritual Assemblies in need of assistance in managing their Funds should not hesitate to call on the Finance Office for advice.

## FUNCTIONS OF THE TREASURER

### What are the functions of the Treasurer?

Among the responsibilities of a local Treasurer are the following:

#### 1. Receiving donations and issuing receipts

A receipt must be issued for each donation received:

This relates not only to the danger of defalcations, but also to the possibility of loss either in the mails or at some other stage of the remittance. If a receipt must be issued for every contribution, and if all the friends are aware that they will always receive a receipt, this acts as a valuable check on such possibilities. As the Cause grows, it becomes increasingly necessary to follow clearly defined policies and efficient procedures in such matters.

*Letter from the Universal House of Justice to a National Spiritual Assembly,  
10 November 1981*

#### 2. Paying bills and keeping accounts

See separate document with details of how best to keep the accounts. It is a legal requirement that charity accounts be kept in English.

#### 3. Reporting regularly to the community on behalf of the Local Spiritual Assembly

Normally this would be done at the Nineteen Day Feast.

#### **4. Establishing loving links within the community**

The following advice given to National Treasurers applies equally to Local Treasurers:

There is the relationship between the National Assembly and the individual believers and local communities. Through whatever correspondence he conducts with contributors to the National Fund and with committees which are drawing on the Fund for their work, the National Treasurer can be a powerful influence in establishing links of loving unity within the community.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 13 July 1981*

#### **5. Providing regular, accurate financial reports to the local Assembly**

At each Assembly meeting.

#### **6. Preparing the Annual Financial Report and the annual budget**

#### **7. Monitoring the use of the Fund**

*The Treasurer should carefully monitor the use of the Fund so that he can warn the Assembly in good time if there is danger of over-spending.*

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, July 13, 1981*

#### **8. Making sure earmarked funds are kept distinct**

In book-keeping, a system must be adopted to ensure that earmarked funds are kept absolutely distinct from those that are at the free disposition of the Assembly, and there should be safeguards to prevent the inadvertent spending of earmarked funds on matters other than those for which they are intended.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 13 July 1981*

#### **9. Ensuring that any assets of the Assembly are protected**

In addition to keeping accurate records of income and expenditure, the Treasurer should see that the assets of the Assembly are protected and that both assets and liabilities are carefully recorded.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 13 July 1981*

This may include advising the Assembly to set aside sufficient sums for the repair and maintenance of a property, if it has one.

#### **10. Educating the community in the importance of the Funds**

As the officer of the Assembly to whom responsibility for the Funds is delegated, the Treasurer assumes a major role in deepening the friends as outlined earlier. A convenient time to do this might be during the Treasurer's report at the Feast.

See separate document with a preferred method of book-keeping, preparing reports and budgeting – especially for Incorporated Assemblies.

## FUND-RAISING

### What is the spirit that should characterise fund-raising events?

Shoghi Effendi has stated that fund-raising activities must be conducted in an appropriately dignified atmosphere in which the believers are prompted by a spirit of sacrifice to give, not by the application of psychological pressure:

... gatherings for collection of funds are permissible if it is done with a true spirit of sacrifice, not when the audience is especially aroused to a frenzy and mob psychology is used to induce them to pay. Shoghi Effendi has repeatedly stated that no pressure should be used upon the friends, and psychological pressure falls under that category. But there is much difference between such gatherings, often used by religious bodies, and a true quiet, prayerful atmosphere when a person is, of his own accord, aroused to make some sacrifice. The distinction is very delicate, but it is for the Chairman to use his power to see that one desirable form is not corrupted into the other. All the activities of the Cause should be carried through in a dignified manner.

*Letter written on behalf of Shoghi Effendi to an individual believer,  
28 May 1932*

The Universal House of Justice has further said that a Local Spiritual Assembly must establish a balance between maintaining the appropriate spiritual atmosphere on the one hand, and not dampening the enthusiasm of the believers, on the other:

... the House of Justice feels that it is important for the friends never to lose sight of the fact that contributing to the Funds of the Faith is a spiritual responsibility and privilege of profound significance in the spiritual life of the individual believer, and care must be taken not to trivialise this aspect of Bahá'í life by applying to it too many 'gimmicks' or treating it with a lack of dignity. At the same time, the Assemblies should not dampen the enthusiasm of those friends who, having only slender financial resources, devise imaginative ways of earning money for the work of the Faith.

*Letter from the Universal House of Justice to a National Spiritual Assembly,  
8 July 1980*

It follows that there is a distinction to be drawn between those activities that individual Bahá'ís may engage in and those it would be fitting for Local Spiritual Assemblies to be involved with:

Within this framework, there is clearly a difference in the range of activities open to individuals and those which it would be befitting and dignified for a Spiritual Assembly to engage in or sponsor.

*Letter from the Universal House of Justice to a National Spiritual Assembly,  
8 July 1980*

### May fund-raising activities be held during Bahá'í Feasts or on Holy Days?

As to the sale of items during the Nineteen Day Feast, we leave this to your discretion, bearing in mind that the principal purpose of holding the Feast should not be diverted and that pressure should not be placed upon the friends to participate in the purchase of articles offered for sale. Neither should it become

an habitual thing. It would be better if the sale was not conducted during the Feast itself, but held at a separate time before or after the Feast proper.

*Letter from the Universal House of Justice to a National Spiritual Assembly,  
1 April 1968*

### **Is it permissible for Spiritual Assemblies or individual Bahá'ís to sell goods or services to the general public for the purpose of raising money for the Bahá'í Funds?**

Individuals or Assemblies may sell goods or services to the general public and do with the proceeds as they please. The sale of such goods or services should not, however, be undertaken in the name of the Faith, nor be advertised as being for the benefit of the Bahá'í Fund:

... any believer may sell personal services or property to anyone and do with the proceeds as he wishes, including giving any or all of them to Bahá'í purposes. Thus if a Bahá'í concert artist gives a concert to which admission is charged, he is free, if he so wishes, to give the money so earned to the Fund or to any charity of his choice. In giving the concert, however, he should not represent to non-Bahá'ís that the concert is for the benefit of the Bahá'í Fund or is given on behalf of Bahá'ís for a charity, which brings us to the second principle: that it is improper for Bahá'ís to solicit funds from non-Bahá'ís in the name of the Faith for any purpose.

*Letter from the Universal House of Justice to a Local Spiritual Assembly,  
19 March 1973*

It is not proper for a Bahá'í institution to sponsor a 'garage sale' of personal items contributed by believers for the benefit of a Bahá'í Fund. This is not to say that an Assembly may not sell items of property to non-Bahá'ís for fair market value, but rather that non-Bahá'ís should not be led to purchase items at a fund-raising sale on the representation that the proceeds are to be used for Bahá'í purposes.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 15 January 1984*

Within these guidelines the manner of the sale is left to the discretion of the individual or Assembly concerned:

As to the manner of the disposal of Bahá'í property for such purposes, and the channel through which the sale may be effected, I feel that no rigid rule should be imposed. Individual Bahá'ís are free to seek the help of private individuals or of Spiritual Assemblies to act as intermediary for such transactions. We should avoid confusion on one hand and maintain efficiency on the other, and lay no unnecessary restrictions that would fetter individual initiative and enterprise.

*Letter from Shoghi Effendi to a National Spiritual Assembly, 4 January 1929*

### **Is it proper for Spiritual Assemblies or individual Bahá'ís to sell goods donated by non-Bahá'ís for the purpose of raising money for the Bahá'í Funds?**

Shoghi Effendi has said:

I feel that only such goods as are owned by believers, whether made by Bahá'ís or non-Bahá'ís, may be sold in the interests of the Temple or any other Bahá'í institutions, thus maintaining the general principle that non-believers are not, whether directly or indirectly, expected to contribute to the support of institutions that are of a strictly Bahá'í character.

*Letter from Shoghi Effendi to a National Spiritual Assembly, 4 January 1929*

### **May a Local Spiritual Assembly organise a fund-raising dinner (for example) to which Bahá'ís and their non-Bahá'í friends and relatives are invited?**

Such fund-raising events are permissible provided the non-Bahá'í guests are either paid for by the Bahá'í relative or friend or permitted free entry, and provided no other fund-raising activities are conducted during the course of the event.

### **Are raffles, lotteries, or other games of chance appropriate methods of raising funds?**

No. The Universal House of Justice has said that these are not appropriate methods for raising funds:

In reviewing your Minutes ... we note Item 25-B in which the Treasurer suggests a lottery as a means of disposing of a Persian carpet which has been given to you by one of the believers. We do not feel this is an appropriate way in which to raise funds.

As to participation in Bingo games by a Local Spiritual Assembly with the intention of contributing to the Fund, we do not feel it is appropriate for funds for the Faith to be raised through games of chance or raffles.

*Extracts from letters from the Universal House of Justice enclosed with a letter from the House of Justice to a National Spiritual Assembly, 26 June 1982*

### **Are auctions permissible?**

Regarding 'Dutch' or 'American' auctions, the Universal House of Justice has stated quite clearly that these are not permissible:

... the House of Justice feels that the types of auctions you describe ... approach too closely the nature of a raffle or a game of chance to be fitting methods of raising funds for the Faith.

*Letter from the Universal House of Justice to a National Spiritual Assembly, 8 July 1980*

In considering the question of 'ordinary' auctions, it is clear that both Assemblies and individuals may give goods to professional auctioneers to sell and then use the proceeds for the Fund. The manner of selling goods is left to the discretion of the Assembly or individual concerned. The Universal House of Justice has said:

There is clearly no objection to an Assembly's giving contributions in kind to a professional auctioneer to sell and then to use the proceeds for the Fund.

*Letter from the Universal House of Justice to a National Spiritual Assembly, 8 July 1980*



The Universal House of Justice has also said that it is permissible for ordinary auctions to be held amongst Bahá'ís:

There is no objection to the friends holding an auction among Bahá'ís for the purpose of contributing the proceeds to the Fund.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 8 July 1984*

The holding of auctions amongst Bahá'ís is, however, dependent on the Assembly's judgement as to whether an appropriate dignified atmosphere can be maintained. Again, although it is important that the enthusiasm of the friends not be dampened, the Universal House of Justice has said, in fact, that it prefers not to encourage such auctions:

Whether it would be improper to hold such an 'ordinary auction' among Bahá'ís would depend upon the Assembly's judgement as to whether a properly dignified atmosphere could be observed and also whether it could be construed as bringing pressure to bear upon the friends to contribute, which would, of course, be undesirable. In general the House of Justice prefers not to encourage such auctions for the Fund.

*Extracts from letters from the Universal House of Justice enclosed with a letter from the House of Justice to a National Spiritual Assembly, 26 June 1982*

### **Is it permissible for individuals or Assemblies to establish business ventures to raise funds?**

It is permissible for individuals to establish such a business venture whose purpose is to raise funds for friends of the Faith; however, it is not permissible for Bahá'í institutions to become involved in, or to promote, such enterprises. The Universal House of Justice advises that those friends who do participate in such a project should approach it on the basis of its viability as a business venture:

The Universal House of Justice has received your letter of 15 February concerning the proposal by a number of Bahá'ís to establish a private company whose shares would be owned by Bahá'ís and which would be managed for the financial profit of the friends and of the Faith. We are instructed to transmit its advice.

Your objective to generate funds for the Faith is, of course, praiseworthy. In the past, as you may assume, similar proposals have been made to the House of Justice, and the following guidelines may be helpful:

Concerning the formation of a company which you and other friends have suggested, the Universal House of Justice ... has decided that the time has not yet come to have the Bahá'í institutions involved in a business transaction in the way which was suggested.

If the friends, however, are willing, spontaneously, to establish a profitable business in order to benefit themselves as well as the other friends it is meritorious and there is no objection:

Should such a business venture as you propose be undertaken ... and there is nothing wrong with it in principle - it would be well to advise the Bahá'ís who participate to approach it on the basis of its viability as a business project and they should not underestimate the possibilities of financial loss.

The House of Justice feels that the institutions of the Faith should neither themselves become involved in nor promote such a private business. The use of national endowments as collateral for such a business is not permissible.

## **May a Local Spiritual Assembly make appeals to its own community for funds?**

Yes. As noted in the section ‘Introduction – Are contributions voluntary?’, an Assembly is permitted to make general appeals to its community. If the Local Spiritual Assembly wishes to initiate a specific project for which it requires funds it may, having decided on a realistic budget for the project, draw the attention of the friends within its community to the progress they are making in meeting the budget and encourage them to achieve the agreed target.

## **May a Local Spiritual Assembly appeal to the Bahá’ís outside its area of jurisdiction for funds?**

In general, fund-raising by a Local Spiritual Assembly should be confined to its own local area, however, exceptions arise in the cases listed below. If other cases arise the Local Assembly should contact the National Spiritual Assembly for further guidance.

### **1. National and International Funds**

A Local Spiritual Assembly is free to hold fund-raising activities to raise money for the National Fund, the International Fund and other funds of the Universal House of Justice, such as the Endowment Fund. Bahá’ís from other communities may be invited to participate in these fund-raising activities. Funds raised in this manner should be forwarded to the National Assembly.

### **2. Bahá’í projects initiated in other countries**

All fund-raising for such projects should only be made with the prior approval of the National Spiritual Assembly.

### **3. Regional projects and local projects with regional significance**

Such projects, although sponsored by a Local Spiritual Assembly, draw on support from throughout the region in which the Local Assembly is located. Fund-raising for regional projects can only be made outside the Assembly’s area of jurisdiction and within the region with the prior approval of the Regional Bahá’í Council. Appeals for funding regional projects cannot be made outside the region without approval being granted to the Regional Bahá’í Council by the National Spiritual Assembly.

### **4. Cluster initiatives**

A Local Spiritual Assembly may appeal to Bahá’ís within its cluster for funds to be used for activities affecting the communities in the cluster. This must be done in collaboration with the Area Teaching Committee. Any remaining funds from such activities must remain separate from the funds of an individual community to be used for future cluster initiatives.

## How are funds to be raised for inter-Assembly and cluster projects?

Two or more Assemblies may decide on an inter-Assembly project and develop a budget and method of fund-raising for the project. One of the Assemblies will become the sponsoring body for the project and establish a fund to support the initiative. The believers from the cooperating communities may be invited to contribute to the fund set up for the specific purpose, within the agreed budget and fund-raising plan.

Where the community has an Area Teaching Committee that is responsible for assisting and guiding teaching activities in their Cluster, then the Local Assemblies may wish to consult with this agency to establish a collaboratively way forward.

## May a Local Spiritual Assembly solicit funds from Bahá'ís in other countries?

As regards collection of funds in other countries, the House of Justice does not wish Bahá'í institutions of any country to appeal for funds to the Bahá'ís of another country, unless the National Spiritual Assembly of that country permits it.

*Letter written on behalf of the Universal House of Justice to an individual believer,  
6 June 1985*

If individuals from other countries, of their own free will, wish to make a donation, that is another matter, and they are free to do so.

## Are there any circumstances in which Bahá'ís may solicit funds from non-Bahá'ís for Bahá'í projects?

The only situation in which Bahá'ís may solicit funds from non-Bahá'ís is where they are to be used for a humanitarian project which will also be of benefit to non-Bahá'ís:

As regards the question of the Bahá'í School in India: As this institution is run by Bahá'ís but for the benefit of both Bahá'ís and any other group sending its children there, he sees no reason why a school concert should not receive money from the public attending, and use it for the school itself. It is not the same as a bazaar where the things sold are solely for the Bahá'í Fund.

*Letter written on behalf of Shoghi Effendi to a National Spiritual Assembly, 30 June 1952*

A Bahá'í school which has both Bahá'í and non-Bahá'í pupils is free to raise funds for its own development by such activities as concerts, etc., or by appeals to parents; in this instance, a humanitarian institution is clearly identified, and the funds are being collected in its name rather than in the name of the Faith.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 20 August 1987*

## May a Local Spiritual Assembly accept funds from the Government?

As a general principle, funds may be accepted from the government for the promotion of specifically humanitarian purposes. Government assistance is also acceptable in relation to institutions of community service, such as schools; however, as acceptance

of government funding often necessitates also accepting a degree of governmental control, the matter must be carefully considered:

Governments and their agencies occupy a special position because, of course, they are often very willing to assist those who are engaged in humanitarian service. Thus, where a Spiritual Assembly is undertaking a specifically humanitarian activity for which the government normally would supply financial assistance, the Assembly may accept such assistance. The activity that you instance, a meeting being held on behalf of Human Rights Day to advance one of the aims of the United Nations, is a case in point; there would be no objection to your accepting from 'INAC' its offer to pay for the invitation cards on that occasion. In relation to schools and other institutions of community service, government assistance is also acceptable, but here the Assembly needs to be aware that the acceptance of government funding often brings with it an obligation to accept a degree of governmental control, and these points must be carefully considered.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 6 March 1983*

If a local government body, such as a borough, district or county council, is offering funding for a project such as for the youth spiritual empowerment programme, the Local Spiritual Assembly in that area is permitted to directly apply to that body for funding. If a National Government agency is offering such funding, the approval of the National Spiritual Assembly should be obtained before pursuing an offer. It should also be noted that it is permissible to make application for funding from other charitable institutions, within the same guidelines applying to government funding set out above:

... Bahá'í institutions are free to approach governments or institutions which hold themselves out as wishing to fund charitable activities.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 20 August 1987*

The Local Assembly would need to be sure that the institution offering the funding was not engaging in activities of a partisan political nature, or was otherwise connected with matters with which the Faith should not be involved. Any cases in doubt should be referred to the National Spiritual Assembly.

### **May a Local Spiritual Assembly accept funds from a non-Bahá'í organisation to further the administrative work of the Faith?**

No:

... under no circumstances should the believers accept any financial help from non-Bahá'ís for use in connection with specific administrative activities of the Faith such as the Temple Construction Fund, and other local or national Bahá'í administrative Funds.

*Letter written on behalf of Shoghi Effendi to an individual believer, 12 July 1938*

## **May a Local Spiritual Assembly charge for services, such as food or accommodation, to cover the costs of organising a major function such as a conference or school?**

Yes. The following guidance from the Universal House of Justice addressed to a National Spiritual Assembly, applies equally to Local Spiritual Assemblies:

... our policy concerning registration fees for conferences, conventions and summer schools is that it is perfectly acceptable to charge reasonable fees for special services such as local transport, food, accommodation, and conference materials. It is also acceptable to charge fees for such occasions as summer schools, weekend and day schools, and even deepening and special study courses, where the friends go to receive special instruction or to undertake study. However, at conferences called by the National Spiritual Assembly where the spirit and enthusiasm of the friends themselves is the main factor in promoting the objective of the conference, no charge should be made for attendance. It would also be improper to charge a registration fee for the Convention, but general appeals may be made at the Convention for contributions to help defray Convention expenses.

*Letter from the Universal House of Justice to a National Spiritual Assembly,  
12 April 1988*

A Local Spiritual Assembly may offer to perform a specific service at a major function – such as providing meals – in order to raise funds for its own projects only with the express approval of the organising body. For example, a Local Spiritual Assembly wishing to provide meals for sale at a National Bahá'í Convention would need the prior permission of the National Spiritual Assembly.

## **In what circumstances may a Bahá'í community raise funds on behalf of a non-Bahá'í organisation?**

A Bahá'í community may assist in raising funds for a deserving charity providing that:

- a. assisting the charity does not have partisan political implications contrary to the interests of the Faith
- b. involvement in such activities does not divert the community's energies from the teaching work:

There would be no objection to the Bahá'í community's joining with others to give a concert or undertake some similar activity to raise funds for a deserving charity. Such activities or even the making of donations to humanitarian work should be, and should be seen to be, acts of sincere assistance and cooperation. In choosing to engage in such fund-raising, a Bahá'í community would need to ensure that assisting the charity would not have partisan political implications or support purposes contrary to the interests of the Faith. It would need to watch carefully that its involvement in such activities does not divert its energies from the vital work of teaching the Faith and consolidating its institutions.

*Letter written on behalf of the Universal House of Justice to a National Spiritual  
Assembly, 20 August 1987*

## May an individual raise funds for non-Bahá'í institutions?

Individuals may be involved in fund-raising activities for deserving causes, provided they do so as individuals and not in the name of the Faith. For example, there is no objection to collecting for Red Cross or another charity.

## ENDOWMENTS

### What is an endowment in the Bahá'í sense?

The Universal House of Justice has stated that the word 'endowment' may be used with two distinct meanings:

In one sense it is taken to refer to the totality of the possessions of a National Spiritual Assembly, including its property, office furniture and fittings, vehicles, etc. In a more restrictive sense, the term is taken to refer to an item which is held as an investment for the future advantage and benefit to a National or Local Spiritual Assembly.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 12 April 1988*

### What form should an endowment take?

In the more restrictive sense outlined above, an endowment should take the form of property:

An endowment should be in the form of real estate, where possible. Thus it would not include other holdings of an Assembly, such as cash or shares.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 12 April 1988*

In further explanation of this statement the House of Justice notes that an Assembly may acquire a wide range of assets over time which it holds for the purpose of investment. Such investments would be considered endowments only in the broader sense of the term:

However, in addition to land held as an endowment, a National or Local Spiritual Assembly may well acquire, over a period of time, a wide range of assets in the form of shares, cash, interest in businesses and the like, which are held by the Assembly for the purposes of investment. Such assets would be considered part of the Assembly's endowment, only in the broader use of the term.

*Letter written on behalf of the Universal House of Justice to a National Spiritual Assembly, 1 September 1988*

## ḤUQÚQU'LLÁH

### What is Ḥuqúqu'lláh?

Ḥuqúqu'lláh (the Right of God) is a spiritual obligation laid upon the believers as a privilege and bounty. Bahá'u'lláh writes:

Say: O people, the first duty is to recognize the one true God – magnified be His glory – the second is to show forth constancy in His Cause and, after these, one's duty is to purify one's riches and earthly possessions according to that which is prescribed by God.

*Compilation Ḥuqúqu'lláh, The Right of God, no. 31*

And again, in the Kitáb-i-Aqdas:

Should anyone acquire one hundred mithqáls of gold, nineteen mithqáls thereof are God's and to be rendered unto Him, the Fashioner of earth and heaven. Take heed, O people, lest ye deprive yourselves of so great a bounty.

*Kitáb-i-Aqdas, paragraph 97*

He ... who acteth in accordance with God's bidding shall receive a blessing from the heaven of the bounty of his Lord, the Gracious, the Bestower, the Generous, the Ancient of Days.

*Kitáb-i-Aqdas, paragraph 97*

### What is the responsibility of the Assembly with regards to Ḥuqúqu'lláh?

Local Spiritual Assemblies have an obligation to ensure that their communities are deepened on Ḥuqúqu'lláh which is an obligation binding on all believers. Every Bahá'í is encouraged to study the Writings on Ḥuqúqu'lláh in order to be fully aware of the implications and requirements of this spiritual responsibility and the appropriate method of calculating payment.

Local Spiritual Assemblies should not administer or monitor individuals concerning their payment of Ḥuqúqu'lláh.

Local Spiritual Assemblies could invite a Ḥuqúqu'lláh Representative to visit their community for presentations at a Feast or a deepening classes.

For further information see the compilation from the Universal House of Justice, *Ḥuqúqu'lláh, The Right of God*, published by the National Spiritual Assembly and available through Bahá'í Books UK.

## NOTES FOR GROUPS

When they get to a certain size Groups should establish a Bahá'í Fund. They have the same obligations as Local Spiritual Assemblies in this respect and should also manage the Fund in the same manner as outlined in this Chapter for Local Spiritual Assemblies.