



**ADBI's 100 Tips 100 Tools for
Better Governed NGOs**



The views expressed in this paper are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank Institute nor the Asian Development Bank. Names of countries or economies mentioned are chosen by the author/s, in the exercise of his/her/their academic freedom, and the Institute is in no way responsible for such usage.

Suggested citation:

Stillman, Grant B. 2007. 100 Tips 100 Tools for Better Governed NGOs
ADBI Books and Course Proceedings, Tokyo: Asian Development Bank Institute.
Available: <http://www.adbi.org/book/2007/12/26/2356.100.tips.100.tools.ngo.resource.book/>

Asian Development Bank Institute
Kasumigaseki Building 8F
3-2-5 Kasumigaseki, Chiyoda-ku
Tokyo 100-6008, Japan
Tel: +81-3-3593-5500
Fax: +81-3-3593-5571
URL: www.adbi.org
E-mail: info@adbi.org

© 2007 Asian Development Bank Institute

ADBI's

100

Tips

100

for Better Governed NGOs

Tools

<i>About this Resource</i>	1
I. Finding the Right Legal Form to Get Set Up.....	2
II. Good Governance in Operations and Management.....	4
III. Useful Accounting Fundamentals.....	6
IV. Helpful Principles from Codes of Conduct.....	8
V. Simple Rules for Better Accountability and Reporting.....	10
VI. Practical Ideas for Measuring Success and Impact.....	12
VII. Avoiding Criminal and Civil Pitfalls.....	14
VIII. Partnering Smoothly with the Government.....	16
IX. Working Effectively with International Organizations.....	18
X. Making Allies of the Media and Public.....	20
<i>Glossary</i>	22
<i>Finding Aid</i>	29

About This Resource

This resource is primarily for the members, managers and volunteers of big and small NGOs. People interested generally in development and the role of civil society may also find it a useful capacity-building resource.

It is a quick reference containing ten sets of tips and online tools on common topics related to the basic content of international and domestic laws and generally accepted governance principles affecting the civil society sector.

The collected tips and open access tools that follow are an update from ***NGO Law and Governance: A Resource Book***, by Grant Stillman. That book identifies in more detail core principles common to a majority of the legal and governance systems throughout the world and distills from them some practical guidance for everyday experiences. It is available for free at the Asian Development Bank Institute's website at <http://www.adbi.org/book/2007/01/04/2086.ngo.law/>.

While web resources from other countries have been sought to diversify the worldwide coverage, the selection is necessarily limited by the need for these materials to be in English, reasonably reliable and of interest to as wide a group of NGOs in different countries as possible. Citations of samples, model forms or precedents are for indicative purposes only and should not be considered as any endorsement of their contents.

Some specialized terms in **red** are also linked to their definitions in the glossary.

A printer-friendly PDF booklet of this resource is available at http://www.adbi.org/files/100_tips_100_tools_for_good_governance_of_ngos.pdf

Tips

I. Finding the Right Legal Form to Get Set Up

1. **Unincorporated associations** are simple to get started, but in practice it becomes complicated for a nonlegal association to enter into contracts of employment with its staff, open bank accounts or lease premises. That is usually the reason why another legal form becomes inevitable when the NGO reaches a certain size.
2. It has become simple to establish a believable “**cyber presence or existence**” online even though an NGO may actually lack a substantial membership or legal form in reality.
3. **Registered charities and foundations** usually enjoy **tax exemption privileges**, so it is a worthwhile abiding by the form restrictions and reporting requirements. But NGOs with advocacy and activist missions might find the trust form ultimately too restricting.
4. For the sake of **transparency** the **source of the original benefactor’s trust funds** could be mentioned either in the public literature, web site or annual report, even if this disclosure is not required by law.
5. There is a **wide body of legal knowledge and tradition** from small to medium-sized enterprises to draw upon for the key principles governing not-for-profit company NGOs.
6. The main benefit for founders and members of a nonprofit corporation is that they are **not ordinarily personally exposed to the debts** and other liabilities incurred by the NGO, which now has a separate legal personality of its own. Responsibility for the NGO’s debts and liabilities stops with the cash, property and other assets held by that NGO.
7. It should be an easy matter to get **quickly registered or incorporated** under a special NGO law at a centralized, one-stop agency—provided the domestic country is hospitable to NGOs in principle and acting in good faith.
8. NGOs set up under **specially crafted laws** do not have to force their activities and reporting to fit into the provisions of other vehicles such as trusts and commercial companies.
9. A government may not try to stop the establishment of an NGO if it is only **promoting greater minority rights** or a different government form.
10. The hope for getting specialized NGO laws enacted is often slim as there is not a large “constituency” for NGOs in the legislature. The key point for such a law is that it allows for a **simplified separate NGO or NPO status to be gained by easy unified filings** or registration without too much discretion being vested in the reviewing officer.

Tools

NGO-in-a-Box

Offers a set of peer reviewed and selected free and open source software, tailored to the needs of NGOs. Provides organizations with software as well as implementation scenarios and relevant materials <http://ngoinbox.org/>

National Federation of the Disabled—Nepal

Constitution, as amended, of a nonprofit federation under the Organization Registration Act (Nepal)

http://www.nfdn.org.np/constitution_of_nfdn.htm

Northern Ireland Council for Voluntary Action

Model memorandum and articles for a charitable company (UK)

http://www.nicva.org/uploads/docs/r_RP_Appendix.pdf

Oneworld International Foundation (UK)

Memorandum and Articles of Association of a Company Limited by Guarantee (Html)

<http://www.oneworld.net/article/view/57707/1/>

Community Insurance FAQ Website (Australia)

Insuring not-for-profit community organizations, developed by the Municipal Association of Victoria <http://www.communityinsurance.com.au/questions/>

World Legal Information Institute

Free, independent and non-profit access to worldwide laws, including full texts of human rights treaties and conventions

<http://www.worldlii.org/catalog/2670.html>

Human Rights Treaties at the University of Minnesota

Full-text library of over 200 international human rights treaties and conventions <http://www1.umn.edu/humanrts/>

The International Center for Not-for-Profit Law's Online Library and Knowledge Center

Searchable directory of research, including country laws, major cases, general legal documents, reports and legal opinions

<http://www.icnl.org/knowledge/index.htm>

European Convention on the Recognition of the Legal Personality of International Non- Governmental Organisations (No. 124 of 1986)

Full text of first treaty to facilitate the mutual recognition of the **legal identity** of NGOs operating transnationally

http://www.coe.int/t/e/ngo/public/convention_124/text_of_convention_124/text_of_Convention_124.asp#TopOfPage

MS (Mellempfolkeligt Samvirke) Danish Association for International Co-Operation

Archived documents, including statute for an open members' organization and 3-year rolling plan of action with virtual (cyber) membership feature

<http://www.ms.dk/sw26452.asp>

Tips

II. Good Governance in Operations and Management

11. On balance a **registration procedure hosted by a government** is useful if it is mainly for recordkeeping or facilitating funding connections. But when the government wants to try to use the registration process as a way of screening or vetting the NGO and its aims and programs, tensions invariably arise.

12. If your NGO has been registered with the government, try to remember to file a **delisting notice when the NGO is wrapping up** its existence.

13. NGOs involved in the **legal defense of public rights**, particularly environmental protection and human rights, need not spend their own funds on legal representation in court cases. Many lawyers or university-supported institutes that are interested in these fields will be prepared to donate their services pro bono (for free).

14. If insurance coverage is not offered by private companies, the government might be able to offer a suitable **public liability insurance scheme** to their NGOs and citizens.

15. The **right to organize** to give voice to issues collectively is a core principle for NGOs. By allowing more stakeholders to participate in public debate, NGOs mitigate the dangers from only one power center dominating.

16. Individuals acting alone often face disillusionment, and occasionally intimidation and danger in their efforts to effect real change. **Acting collectively with others** in a larger group or NGO gives them a degree of protection and a greater chance at successful change.

17. An NGO with a global mission need not be restricted to one home country jurisdiction of incorporation. It is also possible to have a more **inclusive networking arrangement** bonded together by an umbrella association with local chapters set up in diverse jurisdictions and even as different legal types.

18. On the question of **compensation or benefits for NGO staff**, the key will always be moderation and balance between public expectations of what is appropriate for a primarily voluntary sector and the practical concerns of being able to obtain qualified staff to execute competently the NGO's work program.

19. Decision-making should almost always be subjected to a **crosscheck by others**. **Crosschecking** is often achieved by a group vetting in committees or through regular reporting and disclosure of matters and the way they are proposed to be solved.

20. When something does not seem quite right, maintain a healthy skepticism. Always **look beyond the form and surface** and try to find out the substance of the matter and determine whether it has a **valid business purpose** for the benefit of the NGO.

Tools

Free Management Library

Highly integrated, large online library for nonprofits and for-profits, includes links to online tutorial and training programs

<http://www.managementhelp.org/>

Robert's Rules of Order (Procedure) Revised (public domain original version)

Copyright on the original 1915 version has expired and so this online version is now in public domain; however, the enhancements to this work are only available through purchase

<http://www.constitution.org/rror/rror--00.htm>

The Board Café

Monthly newsletter dealing with issues of nonprofit **board of director** governance, offers free e-mail subscription

<http://www.compasspoint.org/boardcafe/archives.php>

Australian Stock Exchange

Principles of Good Corporate Governance and Best Practice Recommendations

<http://www.shareholder.com/visitors/dynamicdoc/document.cfm?documentid=364&companyid=ASX>

Ernst & Young's Governance Toolkits for Directors

Portal to free tools and publications for directors (primarily corporate) on their obligations, and frameworks for effective corporate governance

<http://www.ey.com/global/content.nsf/Australia/AABS>

United Way of Minneapolis Checklist of NPO Organizational Indicators

Detailed internal evaluation tools for **governance**, planning and compliance

http://www.managementhelp.org/org_eval/uw_list.htm

Thomson/CCBN's White Paper on Best Practices in Online Corporate Governance Disclosure

http://www.ccbn.com/pdfs/whitepapers/corp_gov.pdf

Personal Liabilities of a Company Director

UK law firm's overview description of duties and liabilities

http://www.elbornes.com/articles/commercial/com_0004.htm

United Kingdom Charities Information Bureau

Web Site Help and Advice pages, including funding and managing

<http://www.cibfunding.org.uk/pagea.htm>

Alliance for Nonprofit Management's Resource Center

Searchable database of resources for nonprofits. Includes information on organizations, websites, books, newsletters, and other products and services

<http://www.allianceonline.org/ARC>

Tips

III. Useful Accounting Fundamentals

21. For very **small NPOs with little money flows**, simple accounting on a receipts and payments basis alone may suffice (i.e., no need to adopt the more sophisticated accrual basis).

22. The key elements of a **sound control system** over legal and financial commitments include a serious control environment; appropriate procedures for your size; good information, communication, and monitoring systems; firm written policies against corruption; and board review of compensation for officers.

23. Even a small NGO will benefit from having an extra pair of eyes **check over some accounting transactions or payments**. Although it frequently happens, it is not a wise idea to have the same person occupy the jobs of making disbursements, keeping the books and holding the cash or bank accounts.

24. **Commingling of funds** belonging to an NGO and its **founders** are commonplace and dangerous when sloppy bookkeeping is practiced. It is usually a very bad idea for an NGO to consider making personal loans or advances to any of its members or executives.

25. Avoid the temptation to compromise on what seem like minor or unimportant decisions at the time. The **road to serious governance meltdowns** and major fraud often starts with condoning minor indiscretions on the basis they are small-scale and in themselves would not harm the NGO or can be rationalized on their particular facts.

26. Preserve confidentiality of staff information, but sometimes there could be very good reasons to **disclose the salaries and short bios of the top 5 paid officers** to convince outsiders that an NGO's money is being well spent.

27. Be careful **not to give any preferential treatment or priority payments** to certain favored suppliers, creditors, related parties or insiders if the NGO is starting to experience difficulties in meeting its debts as they become due.

28. If there is sufficient warning and funds left over, the **winding-up of an NGO** can be properly managed by the existing members in a way so as to ease down ongoing activities without an abrupt halt to those who may be relying upon those programs.

29. It is in everyone's interest to try to **prevent abuses, waste and fraud** in the NGO sector.

Tools

Charities Aid Foundation's Venturesome Web Resources (UK) New funding and loan options for **charities**, including the Charity Bank
<http://www.cafonline.org/default.aspx?page=6903>

BRAC (Bangladesh)

Sample independent auditor's report for 2005
http://www.brac.net/downloads_files/Audit_Report_2005.pdf

InterAction's Guide to Appropriate Giving in Disaster Response

http://www.interaction.org/disaster/guide_giving.html

Good Bookkeeping and Simple Accounting Rules

http://www.startups.co.uk/Goodandnbsp_bookkeeping.YWMcmN1oh1OB9g.html

Carter McNamara's Basic Guide to Non-Profit Financial Management

http://www.managementhelp.org/finance/np_fnce/np_fnce.htm

Guidestar.org Database

Tax returns and other publicly filed documents by NGOs in US and other jurisdictions <http://www.guidestar.org/>

Nonprofit Integrity Act of 2004 (California)

Summary of Key Provisions prepared by California Registry of Charitable Trusts
http://www.ag.ca.gov/charities/publications/nonprofit_integrity_act_summary_oct04.pdf

US Internal Revenue Service Official Web Site

Tax information and forms for US charitable organizations, including links to individual states' web pages <http://www.irs.gov/charities/charitable/index.html>

UK Treasury's Portal on Guidance to Funders

http://www.hm-treasury.gov.uk/spending_review/spend_ccr/spend_ccr_guidance.cfm

Nonprofit Finance Fund

Provision of financial capital and advice to NPOs to improve their capacity <http://www.nonprofitfinancefund.org/>

Tips

IV. Helpful Principles from Codes of Conduct

30. **Codes of conduct (and writing down best practices**, lessons learned or core office procedures and systems) are also an excellent way of retaining the **institutional memory** in an NGO where there are many volunteers who roll over or move on.

31. Simple and easy to implement examples of **self-restrictions that are often good for public reputation** relate to setting modest standards of travel and limitations on accepting excessive gifts or hospitality that may look like they could sway judgment. This usefully avoids charges of hypocrisy, and allows outsiders to see good behavior in practice.

32. There are more than enough **free accreditation/monitoring organizations** and umbrella NGOs, so be wary of agencies that offer their services for commercial fees.

33. Of course, occasionally accepting someone's courtesy of a **free lunch** may be allowable in situations where you are not in a position to reward them with a favorable decision (especially if money is not changing hands). The rest of the time even NGOs need to be careful of this trap.

34. Whatever you do, make sure **unethical behavior of members or executive officers is never rewarded** or encouraged by the management structures you have in place. Frequent reminders of your code of conduct and **control systems** will help all members come to appreciate what is acceptable behavior and what is not.

35. It is prudent to set up a deadline (usually no more than five working days) within which **collected contributions should be properly deposited in the bank account** from a public solicitation fundraising campaign. This reduces unnecessary mistakes of donations getting lost or misappropriated by collectors or volunteers.

36. If you solicit for one reason, make sure you **do not swap those funds to another worthy purpose**, or at least have fine print (not too small) that allows this. Even though you may have a legal right to make such a swap, be careful to listen to the media and public opinion and realize when it is wiser to back down to the giving public's view of the situation.

37. If there is a specific campaign for an appeal that requires a certain amount of donations, have a **publicly announced contingency plan** in place to deal with either a shortfall or excess in the collections.

38. Limit tightly the costs run up in raising your funds and regularly test to see if the solicitation methods being used are really **cost effective for the results achieved**. If they are not, it is time to think of a new, less expensive fundraising strategy.

39. **Fundraising expenses should be reasonable** compared to the actual fundraising results achieved.

40. Lavish dinner events are usually a bad idea as the media often criticizes the costs of the food or the speaker's fee as **too extravagant for a charity**.

Tools

Independent Sector Compendium of Standards, Codes & Principles

<http://www.independentsector.org/issues/accountability/standards.html>

Christian Relief and Development Association (CRDA) Code of Conduct for NGOs in Ethiopia

<http://www.crdaethiopia.org/Code%20of%20Conduct/CoC.htm>

Maryland Association of Nonprofit Organizations

Model code of ethical behavior entitled “Standards for Excellence: An Ethics and Accountability Code for the Not-for-Profit Sector” as well as practical recommendations under the heading of *55 standards* http://www.mdnonprofit.org/ethics_initiative.htm

People in Aid (UK) Code of Good Practice

<http://www.peopleinaid.org/code/>

InterAction (coalition of private relief and assistance NGOs) Private Voluntary Organization Standards

<http://www.interaction.org/pvostandards>

NGO Federation of Nepal (NFN)

Developing country Code of Conduct in English translation from Nepali, with sections on professional conduct, impartiality and financial discipline

<http://www.ngofederation.org/html/codeofconduct-eng.htm>

Institute of Fundraising Codes of Practice

Detailed primers and best practice information sheets on wide variety of fundraising topics, including practical templates and model contracts

<http://www.institute-of-fundraising.org.uk/>

Maquila Solidarity Network (MSN—labor and women’s advocacy organization supporting grassroots groups in Mexico and Asia)

Implementation Guide to Ethical Licensing and Purchasing Policies

http://www.maquilasolidarity.org/nosweat/pdf/Implementation_Guide.pdf

International Committee on Fundraising Organizations

(Association of national monitoring agencies) International Standards and Survey of Monitoring Practices <http://www.icfo.de/standards.htm>

Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership—Nonprofit Good Practice Guide

Extensive online resources especially in areas of grantmaking, fundraising and financial sustainability <http://www.npgoodpractice.org/Default.aspx>

Tips

V. Simple Rules for Better Accountability and Reporting

41. If your NGO decides to use a **commercial fundraiser** make sure they are registered, abide by an ethical code of conduct and are prepared to sign a customary written contract with the NGO, dealing with the campaign's purpose, parties' obligations and fee structure.

42. Don't forget to apply for **third party insurance** to cover any liability that might befall members of the general public at your fundraiser event. Sometimes big events in public spaces will need advance clearance by the police and local authorities.

43. Be guided by the **80-20 principle**, which holds that 80 percent of an NGO's support usually comes from just 20 percent of its donor base.

44. A simple step to demonstrate inclusiveness could be to welcome general comments and criticisms from the public on an NGO's policies and programs through an **open feedback page on its web site**.

45. It is usually **good practice to account to the members of an NGO** as if they were similar to shareholders in a public company. And today many online members can be kept informed very cheaply by electronic communications or bulletin boards.

46. Complex transactions or those involving many related parties are often suggestive of the possible presence of sham or fraudulent deals. If the **CEO** or management cannot explain clearly to members the purpose for any transactions involving the NGO, a **review by outside experts** may be warranted.

47. As a useful rule of thumb, NGOs could aim to spend at least 60% of their annual expenses directly on program activities. Otherwise they may find themselves facing criticisms for being **too profligate on overheads** with grant monies intended to be spent on **beneficiaries**.

48. It is prudent to aim to have **net assets available for use** in the following fiscal year not usually more than twice the current year's expenses or twice the next year's budget, whichever is higher.

49. **Do not run a persistent deficit** in the NGO's net current assets, as this suggests demonstrable financial danger and may even be fiscally irresponsible.

Tools

Justgiving—Fundraising made easy

How to fundraise online, including a sample online fundraising page

<http://www.justgiving.com/process/raisemoney/>

International Non Governmental Organisations' Accountability Charter

First voluntary charter of international, cross-sector standards of accountability for the nonprofit sector

http://www.amnesty.org/resources/downloads/INGO_Accountability_Charter.pdf

One World Trust Global Accountability Index

Independent assessment of the transparency, participation, evaluation, complaint and response mechanisms of 30 of the world's most powerful organizations, including big NGOs

http://www.oneworldtrust.org/?display=index_2006

The American Institute of Certified Public Accountants

Summary text version of main sections of **Sarbanes-Oxley Act** of 2002 (more formally the *Public Company Accounting Reform and Investor Protection Act of 2002*)

<http://cpcf.aicpa.org/Resources/Sarbanes+Oxley/Summary+of+the+Provisions+of+the+Sarbanes-Oxley+Act+of+2002.htm>

American Institute of Philanthropy's Free List of Charities

Useful free listing of most US charities, but their Rating Guide is through paid subscription only <http://www.charitywatch.org/azlist.html>

Global Development Research Center Special Feature: NGO Accountability

Background and documents for further reading on NGO accountability

<http://www.gdrc.org/ngo/accountability/index.html>

NGO Accountability: Rights and Responsibilities

In depth discussion of NGO accountability published by the Centre for Applied Studies in International Negotiations

<http://www.casin.ch/web/pdf/ngoaccountability.pdf>

Humanitarian Accountability Partnership International

Sample monitoring, quality management standards, advocacy and complaints handling from an independent self-regulatory body

<http://www.hapinternational.org/en/page.php?IDpage=73&IDcat=10>

Minnesota Council for Nonprofits' Principles and Practices for Nonprofit Excellence

http://www.mncn.org/info_principles.htm

Bhutan Office of the Anti-Corruption Commission

Code of Conduct for Staff, including declaration of **conflicts of interest** and no abuse of office or positions of authority

<http://www.anti-corruption.org.bt/pdf/Pages%20from%20ACCcodeofconduct.pdf>

Tips

VI. Practical Ideas for Measuring Success and Impact

50. The central purpose behind any report to the public or other stakeholders is to **communicate relevant information clearly and in an accessible manner**. Therefore, some care needs to be put into the quality of information and style of language used.

51. If information, particularly of a financial nature, is being presented over time or across different areas, it is a courtesy to the reader if it can be done in a way to make it **easier for comparisons to be made**. Changing presentation formats each year is unhelpful and reduces transparency.

52. Consider if your NGO is game enough to frankly **write up its failed projects in its public reports**. Others may learn valuable lessons from where your project went wrong. As NGOs do not have to worry about shareholders or the value of their stock, there might be little downside to such transparency.

53. **Capturing the full costs of an activity** is often difficult to do in practice even for sophisticated offices with the control know-how, much less volunteer NGOs. Perhaps the most that can be achieved here is a commitment from management to try to introduce measures or reforms in a phased and modest manner.

54. If only one NGO does this form of full cost accounting, it would tend to exaggerate that pioneer's costs in comparison with the understatements from the competitors. One way to extend this helpful approach could be through self-regulatory organizations trying to agree on **common accounting standards and practices**.

55. Projects often run afoul of unanticipated risks or faulty or changed assumptions. **Constantly test your assumptions** and ask "what if" questions.

56. Getting more people involved (including project beneficiaries) will help ensure that **most of the risks and assumptions are properly addressed**, as often we don't fully appreciate what we are assuming ourselves until another person points it out to us.

57. Ask early and ask often the key question: **How feasible are our planned activities given the scale of our resources** and reasonably anticipated funding? If you don't have enough, the prudent course is to scale back or start the project on a pilot basis.

58. **Serving multiple stakeholders** (sometimes too many) can become daunting and have a chilling effect on the confidence of an NGO.

59. It is probably best to **be clear about who the NGO's main clients and paymasters are** and then aim to satisfy them first and always—with the others (including the government and media) in line whenever possible without expending too many resources.

Tools

Ontario Trillium Foundation's Evaluation Planning Tip Sheet

Tips on why and when to evaluate, developing an evaluation plan, and the fundamentals of evaluation

http://www.trilliumfoundation.org/cms/en/EvaluationPlanningTipSheet.aspx#why_when

Geneva Global Inc.

Performance-based philanthropy based on benchmarking and evaluation metrics, includes a sample post-grant report

<http://www.genevaglobal.com/>

Charity Navigator Guide to Intelligent Giving

Well-indexed tips and resources on business of charitable donations and solicitation, includes a CEO compensation survey

<http://www.charitynavigator.org/index.cfm/bay/content.view/catid/68/cpid/224.htm>

United Way of Greater High Point's FAQ List of Questions

Includes sample answer to "How much of every dollar I give is really spent on...?"

<http://www.unitedwayhp.org/faq.cfm>

OECD's Development Assistance Committee

Guidance booklet for evaluating humanitarian assistance in complex emergencies

http://www.reliefweb.int/library/documents/human_en.pdf

Inter-American Development Bank Free Online Learning

4 separate interactive courses are being freely offered electronically to the general Internet public on project planning and implementing (so-called logical framework approach), monitoring and evaluation, environmental impact assessment, and institutional and organizational analysis <http://www.iadb.org/int/rtc/ecourses/index.htm>

The Center for What Works

Vehicle for improving performance in the social sector. Includes benchmarking tools

<http://www.whatworks.org/>

Point K: Practical Tools for Planning, Evaluation and Action

Free tools and resources to help organizations develop knowledge about evaluation and results

http://www.innonet.org/?section_id=4&content_id=16

Assessment Tools from the Center for Effective Philanthropy

Tools for foundation **trustees** and executives to assess and improve foundation performance. Includes downloadable worksheets

http://www.effectivephilanthropy.com/assessment/assessment_overview.html

Evaluation in Philanthropy: From Proving to Improving

Grantmakers for Effective Organizations provides background reading, tools, and tactics for enabling nonprofits to evaluate themselves and to use the resulting knowledge for improving themselves

<http://www.geofunders.org/index.cfm?fuseaction=Page.viewPage&pageId=444>

Tips

VII. Avoiding Criminal and Civil Pitfalls

60. When advising its members on what actions they can take to advance a cause, an NGO's management needs to **be especially cautious about possible incitement to commit criminal acts**. The risk in advising others to directly break a law (whether it is bad or not) is that such advice will frequently constitute a crime in and of itself.

61. Although companies take legal action to try to stop cyber campaigns directed against them, the real risk comes from aggrieved individuals who feel personally slighted or lose face. A good rule of thumb is to **be very careful when you plan to criticize or attack the reputation of an individual person** even if they are a CEO or powerful and famous.

62. Personal slander web sites are usually frowned upon by most courts and legal systems. Certainly, repeatedly targeting someone in a concerted **"character assassination"** might **be risky**, even if they are a public figure.

63. Generally be **cautious about creating and posting material** that could be considered excessively violent, obscene, harassing, against public morals or otherwise objectionable, even though you may think it might be free speech that should be protected under general principles. Even humor is often misunderstood.

64. To make sure that your actions can withstand society's judgment of their moral legality, you should always consider whether the breaching individual or NGO is **breaking laws for a higher purpose or just choosing to violate laws of a country in pursuit of personal interest**.

65. **Ask yourself**: Even if you have a **"good or political explanation"** for your action, will the courts consider it? Can you flaunt the law if you get no financial gain and it was done on principle? The answer is usually no.

66. There are also certain groups that must hold themselves to even higher standards of lawful conduct. Lawyers, politicians, clergy and other role models cannot choose which laws they will violate because of political beliefs. Generally, they **must obey even bad laws** until they can be changed through a lawful process.

67. Remember: no matter how amusing or dramatic a **direct act** may seem when it is conceived for a cause, you must always consider whether it entails any criminal risks. Even **throwing a pie in someone's face** for a memorable picture is strictly an assault in most countries. Here the advice of volunteer lawyers before you begin your campaign can be useful.

68. The following **direct actions may result in criminal or civil penalties** for the person committing it and the NGO encouraging it in certain countries: demonstrating without a permit, failing to move on when ordered by the police, going onto another's property without permission, blocking the path of demolition equipment, or letting loose laboratory animals.

Tools

Wrongdoings by Officers and Directors of Charities: A Survey of Press Reports 1995–2002

Downloadable paper from Harvard University's Hauser Center for Nonprofit Organizations surveys 152 incidents of wrongdoing, 104 of which were instances of criminal activity; findings indicate governance problems

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=451240

JISC Legal Information Service on Cyber-crime Overview (UK)

<http://www.jisclegal.ac.uk/cybercrime/cybercrime.htm>

Reporters Without Borders

Handbook for Bloggers and Cyberdissidents, including chapters on ethics, maintaining anonymity and avoiding censorship

http://www.rsf.org/rubrique.php3?id_rubrique=542

Fitzroy Legal Service (Victoria, Australia community legal aid)

Legal Fact Sheet on Dealing with the Police, includes sections on "Am I hindering the police?" and "What to do if arrested" [**Note:** spelling below intentional]

http://www.communitylaw.org.au/fitzroy/files/links/Dealing_with_the_Ploice.htm

The Aid Workers' Network

Online discussion board for aid workers and their issues worldwide

<http://forum.aidworkers.org.uk/cgi-bin/discus/discus.p>

Open Society Institute/ICNL's Guidelines for Laws Affecting Civic Organizations

Revised & enlarged 2004 edition prepared by L. Irish, K. Simon and R. Kushen

<http://unpan1.un.org/intradoc/groups/public/documents/UNTC/UNPAN016333.pdf>

Council of Europe's Official Treaty Web Site

Texts of European **conventions and treaties** in html and Word formats, including explanatory reports <http://conventions.coe.int/Default.asp>

Idealist.org's The Nonprofit FAQs Page

Encyclopedic collection of articles with further links covering all major fields of information for and about NGOs

<http://www.idealists.org/if/idealists/en/FAQ/Nonprofit/Home/default?sid=78287715-190-IEO>

For mother Earth (Belgian member of Friends of the Earth International) Includes campaign guide and handbook on

using nonviolent direct action

<http://www.motherearth.org/inspection/inspection4.php>

Self-regulation of Civil Society in Development

Development Gateway Foundation's frequently updated collection of resources and articles on self-regulation of civil society organizations

<http://topics.developmentgateway.org/civilsociety/rc/BrowseContent.do~source=RCContent>User~folderId=2815>

Tips

VIII. Partnering Smoothly with the Government

69. During some of the recent massive **disaster relief operations**, **friction has developed** between experienced expatriate humanitarian NGOs and local government relief coordinators. International NGOs would do well to try to show the appropriate level of respect to the local authorities even if they are critical of their performance.

70. In many developing countries the governments frequently see themselves as **competitors with NGOs for receiving overseas development assistance** from donor countries.

71. In the People's Republic of China, there has developed an interesting model for other countries and NGOs. When the state wants to attract **private donations for public purposes**, it will set up a foundation and pay all of the salaries and **overheads**, leaving 100% of the public donations to be directly spent on the programs.

72. Remember to watch out that your NGO does not get into **too much of a business operation** and breach its public benefit status or lose tax privileges as a non-profit. This depends mainly on how you are set up and the form of the local tax breaks you enjoy.

73. Ways NGOs can find out about government opportunities and start to **compete for state money and contracts**. Check first with your governments and, if they have them, small business or entrepreneurial agencies to see if they offer help in how to bid and get qualified to tender for government projects.

74. Another useful way to get exposure to the government departments that may be judging the tenders could be through first being invited into policymaking procedures through **comments from the public or giving evidence before hearings**. The NGO establishes its expertise in certain areas and begins to win the confidence of government bureaucrats.

75. By their very nature as one-sided gifts, there remains a risk that a **promised donation or grant may not** be honored as expected. Even after a public pledge has been made there is still some doubt unless the grant is turned into a contractual promise. Therefore, NGOs should be prudent in making financial commitments on the expectation of grant funding.

76. **Writing good grant fund proposals** is now becoming an integral part of every NGO's repertoire. Make sure some of your staff attend any free training programs being offered to help them prepare better proposals with a chance of being accepted.

77. The law and practice concerning the **tax status of not-for-profit foundations and charities**, is extremely complicated. Many companies or family estates also structure themselves in similar positions to take advantage of the tax exemptions of these non-profitmaking entities.

78. **Umbrella organizations** that certify the validity and good faith of NPOs and their operations are another effective way to convince tax authorities of the legitimacy of an NPO and that it is not being used as an unproductive or illegal tax shelter.

Tools

Center for Development of Non-Profit Sector (Serbia) Forum of Yugoslav NGOs' model law on NGOs (in English)
http://www.crnps.org.yu/xdoc/pr_regulativa_en.html

Survey of NGO Legislation in Countries of the Baltic Sea
(Also covers Germany, Poland, Russia and Nordic Countries)
http://www.nisc.lt/doc/Report_NGO_legislation_in_the_Baltic_Sea_Region.pdf

Pakistan Center for Philanthropy Download Library
Extensive full-text laws and rules, sample policies, studies and a directory of certified NGOs from a developing country perspective
<http://www.pcp.org.pk/download.html#directory>

The Compact Website (UK)
Social contracting between the UK government and the voluntary and community sector in England, including a standard set of core **Compact** commitments and an accreditation scheme
<http://www.thecompact.org.uk/>

FirstGov.gov for Businesses and Nonprofits
US government official web portal to most departments and agencies partnering with civil society <http://www.usa.gov/Business/Nonprofit.shtml>

Pakistan Center for Philanthropy
NGO Certification Model, includes detailed criteria for evaluation and process flow charts for Pakistan nonprofit and tax-exempt organizations
<http://www.pcp.org.pk/pdf/Certification%20Model.doc>

Philippine Council for NGO Certification's Primer & Steps
<http://www.pcnc.com.ph/>

ACCION International, nonprofit for microfinance promotion
Support for networks of NGO microfinance institutions, with a fund that also invests in commercial transformations into regulated financial institutions (i.e., banks)
<http://www.accion.org>

The Sphere Project (consortium of humanitarian NGOs and the Red Cross/Crescent movement) Handbook on Humanitarian Charter and Minimum Standards in Disaster Response <http://www.sphereproject.org/>

Sampradaan—Indian Centre for Philanthropy (SICP) Online Reports
Portal to free Indian conference proceedings on subjects including making partnerships work, NGO-donor dialog and new leadership
<http://www.sampradaan.org/reports.htm>

Tips

IX. Working Effectively with International Organizations

79. Although it appears complicated when starting out, there are really only a couple of key variations on **how NGOs are contracted and remunerated by international organizations (IOs)**. Most common is just payment for your negotiated fees plus actual costs. Fees can be stated as lump sum, fixed or at unit rates applied to multipliers, usually of time, but maybe outputs produced.

80. Another method could be a retainer on a standing basis to provide things at preagreed rates (i.e. **period contract arrangements**.)

81. Usually the legal format will be that of an **independent contractor or supplier of services to the commissioning IO**. Often the staff of an independent contractor will not be covered by the insurance of the IO and so separate arrangements will need to be made for them by the contracting NGO.

82. Watch for announcements by the IOs in your field of their public hearings and apply to participate. Sometimes you will be allowed in, even if on an **observer basis** (usually you can ask questions). Later as you gain their trust you may be invited to formally offer comments.

83. Human rights NGOs, local community or **watchdog** activists interested in indigenous people should realize the surprisingly effective public relations potential of **filing complaints or critical reports before various United Nations commissions**.

84. As your NGO gains greater acceptance and credibility with the target IO, **opportunities to formally provide speeches or training courses for IO** officials or their clients at conferences may arise (often these come with honoraria or participation costs). A good way to get known to an IO could be for the NGO to apply to some of the various awards and recognition contests held by the IO community.

85. An independent NGO might also be appointed by an IO or government executing agency to **monitor the implementation of a development program or convention**, for example to report on how successful the consultation and participation with affected people on that project has been.

86. Other contractual opportunities well suited to NGOs might be the provision of **community facilitation and empowerment services for a project** (e.g., helping to identify community leaders to take part in a consultation process with the government or IO proposing the project).

87. Don't forget the effectiveness of the old-fashioned approach of just **writing to the resident office of an IO or right person at HQ to request information**. Sometimes they will supply it willingly and you can receive it without having to go through formal channels.

88. **Complaint filers** can be (according to ADB's rules) "any group of two or more people (such as an organization, association, society or other group of individuals)" or "a local or nonlocal representative of the affected group."

89. Filers can submit their **documents in a local language** if they are unable to provide an English translation.

90. Names will be kept confidential if requested; **however, anonymous complaints are usually not accepted**.

Tools

Asian Development Bank

Establishment of a new ADB Accountability Mechanism

http://www.adb.org/Documents/Policies/ADB_Accountability_Mechanism/

Inter-American Development Bank's Independent Investigation Mechanism Portal

http://www.iadb.org/aboutus/III/independent_invest/independent_invest.cfm?language=English

Civil Society Information Sources

ADB's collection of links to civil society activity information across the Asia-Pacific region organized by country <http://www.adb.org/ngos/cso-sources.asp>

World Bank Group Inspection Panel

International Bank of Reconstruction and Development & International Development Association www.worldbank.org/inspectionpanel

Food and Agriculture Organization of the United Nations

Literature review and annotated bibliography on Monitoring & Evaluating Participation in Agriculture and Rural Development Projects

<http://www.fao.org/sd/PPdirect/PPre0074b.htm>

IFC/MIGA's Office of the Compliance Advisor/Ombudsman

International Finance Corporation & Multilateral Investment Guarantee Agency

<http://www.cao-ombudsman.org>

United Nations Global Compact Network

World's largest voluntary **corporate responsibility** initiative

<http://www.unglobalcompact.org/>

International Finance Corporation (of World Bank Group)

Doing Better Business through Effective Public Consultation: A Good Practice Manual

[http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_pubconsult/\\$FILE/PublicConsultation.pdf](http://www.ifc.org/ifcext/enviro.nsf/AttachmentsByTitle/p_pubconsult/$FILE/PublicConsultation.pdf)

CONGO—Representation before UN bodies

An independent, umbrella conference for supporting and coordinating civil society approaches to the UN system <http://www.ngocongo.org>

Nam Theun 2 Hydroelectric Project Website (Lao PDR)

International and local NGOs help Ios to openly assess potential environmental and social impacts of this high-profile dam project in Lao PDR

<http://www.adb.org/Projects/Namtheun2/consultations.asp>

Tips

X. Making Allies of the Media and Public

91. Try to interest local media by **finding the local or national aspect** that will immediately appeal to their audience.
92. Watch how your target media covers similar “human interest” stories and try to **frame your issue in the same style**. Look for the opposing interests and try to set up the story as a conflict between the good and bad or big and little guys.
93. Effecting real change is always hard; it is especially so if your group does not have ready access to the opinion shapers. The best advice for a **successful advocacy strategy** is to know who or what you most want to influence and then to frame messages specially directed to them.
94. Always go **well prepared to meetings or interviews with your facts and figures**. Try to maintain a business-like demeanor, even if you are patronized, discounted or insulted.
95. If a politician or journalist asks for more details that you may not currently have, be sure to find them out and remember to send them along later in a **professional follow-up**. Journalists will use again sources who meet their deadlines and are reliable.
96. Sometimes an **open letter** or an **interesting letter to the editor is spotted** and then investigated to see if it can be turned into a full story.
97. Depending on nature of the NGO, external communications should be directed locally, nationally, regionally and internationally and should be pitched to different audiences. To the extent possible, don't forget to **think of ways of monitoring or measuring your communications success**.
98. Some other **helpful tools to use** and examples include: person to person contacts, phone, personal letters, mass or direct mails, faxes, electronic media, smooth looking promotional materials, and newsletters.
99. Don't forget that cheap-to-produce and easy-to-walk-around-in message T-shirts often work very effectively. Paper leaflets get thrown away too easily but most people are happy to become **walking billboards in free T-shirts** if they have a cool message.
100. Be guided in all public affairs activities by the principle of **how best to retain the trust and confidence of the public**.

Tools

InterConnection's Virtual Volunteer Website Design Program

Provides personally designed websites to nonprofit organizations in developing countries at no cost <http://www.interconnection.org/index.php?pagina=services/websites>

Coyote Communications Free Resources for Mission-based Organizations Tip Sheet to Using the Internet to Advertise Successfully & Ethically

<http://www.coyotecomunications.com/outreach/promote.html>

SpamCon Foundation

Best practice links for diverse audiences and marketing, includes netiquette guidelines

<http://spamcon.org/directories/best-practices.shtml>

Connecticut Association of Nonprofits' Toolkits and Resources for Advocacy, Lobbying and Media Relations

Includes sample letters to the editor, public service announcements and pitching feature story ideas

http://www.ctnonprofits.org/pages/NonprofitResources/Advocacy_Lobbying_Toolkit.asp

Development Gateway, putting the Internet to work for developing countries with portals, awards and communities

<http://home.developmentgateway.org/>

Maquila Solidarity Network's Stop Sweatshops: An Education/Action Kit

Openly available materials include guide on corporate research, codes primer, sample issues sheets, and complete script for staging a "sweatshop fashion show" publicity event

<http://www.maquilasolidarity.org/resources/garment/index.htm>

Oxfam's Art of Self-Defence for Supporters

Stylish and effective macromedia pamphlet with answers to counter persistent criticisms ("myth-busters") about its methods and operations

http://www.oxfam.org.uk/about_us/asd.htm?ito=1712&itc=0#

Indonesian Peacebuilding Directory (CERIC FISIP UI direktori-perdamaian) (in English)

Online guide to Indonesian organizations for social change, includes an automated registration and update template for donors and international organizations, training providers and over 500 civil society organizations

http://www.direktori-perdamaian.org/english/main_id.php

The Democracy Center's Free Advocacy Materials

Including advocacy strategies, policy analysis primer, lobbying and media and Internet advocacy <http://www.democracyctr.org/advocacy/materials.htm>

PROSHIKA Center for Human Development (Bangladesh)

64 online project success stories from one of the largest NGOs in the developing world http://www.proshika.org/success_stories.htm

Glossary

A

Accountability. Holding someone, some group or some entity responsible for its actions and failures, outputs and results.

Audit committee. A subcommittee of a board of directors/trustees that includes a high proportion of independent directors and those competent in accounting and auditing. It receives and acts upon the financial recommendations of outside auditors.

B

Benefactor. Person who uses their money to set up a trust or foundation during their lifetime or through their testamentary will.

Beneficiaries. Persons for whose benefit property (including money) is held, or for whom services are offered, by trustees or NGOs.

Bequest. A charitable gift by a donor. Often it comes with the entitlement to have your name associated with the gift.

Board of directors or trustees. The group of directors (or trustees) that has day-to-day operational control and oversight over an NGO or international organization (IO). Different names are used in each jurisdiction or legal tradition.

Breach of trust. Acting in a way inconsistent with your fiduciary duties to act in the best interests of the NGO above your own gain.

C

Case law. Law and principles made when judges or arbitrators decide cases and disputes and write up their decisions. It is non-statutory law, meaning it is not created by the legislature or sovereign.

Certificate of incorporation or charter. Formal document that establishes a corporate entity and frequently defines its scope and powers. It is usually filed with a government official, department or court responsible for registering such entities.

Character assassination. Extreme acts against a person's reputation or business integrity often as part of a protest campaign.

Charity. An entity set up for the purpose of providing educational, scientific, religious, artistic, or philanthropic relief to members of the general public. Many jurisdictions have long-standing specialized laws for the establishment and regulation of charities. Does not normally include private clubs and mutual societies for the benefit of its members.

Chief operating/executive officer or managing officer (CEO). Person who is the highest executive officer responsible for running the daily operations of an NGO. Often called a coordinator in more collective NGOs. **CITES.** The Convention on the International Trade in Endangered Species of Wild Fauna and Flora, which entered into force in 1975, attempts to regulate the global trade in animals, plants and their products. Some NGOs have been able to play a useful role in monitoring countries' adherence to their treaty promises under this regime.

Civil action or suit. A legal case brought by one private citizen or company for relief or damages. Not initiated by the state or police prosecutors.

Class action. A civil suit brought collectively by a group of people who are affected by the same activities or negligence (e.g., consumers of a faulty drug or victims of an environmental accident).

Code of conduct. Voluntary guidelines and principles for how NGOs may conduct themselves and their affairs. Not established by the state through force of law.

Commingling of funds. Improper mixing of personal finances with those of an NGO.

Compact (social contract). Term referring to various legal and administrative arrangements between a government and a private or NGO social service provider, such as in the health or education fields.

Conflict of interest. Improper mixing of personal and fiduciary business interests, where a director or officer would gain personally from a business decision taken by the NGO. Such situations are best avoided by the conflicted director excusing herself from the board meeting, leaving the matter to be decided by the other impartial directors.

Constitution. Formal legal document as to how a state, international organization or NGO is organized and run. **Constitutive documents.** Formal legal documents, such as charters or memoranda of incorporation, which are used to set up (constitute) the existence of an NGO or other legal entity.

Control system. Any system established to ensure financial and legal commitments are made by the right persons upon proper authorization and crosscheck.

Convention or treaty. International agreement between two or more states and/or international organizations. NGOs are usually not allowed to be formal parties in their own right to treaties.

Corporate (social) responsibility (CSR). Rapidly-expanding phrase which encompasses a myriad of philanthropic and NGO-style activities undertaken by private sector companies or their grant-giving foundations either independently or in partnerships. Also includes corporate ethics, codes and best business practices.

Criminal laws. Body of law and principles that refer to illegal acts that are prohibited by the state on force of fine or imprisonment.

Crosschecking. Prudent financial or business management procedures to safeguard against fraudulent or negligent business decisions. Usually involves another more senior officer or body overseeing the work of the more junior operative.

D

Direct action. Any activity or demonstration that involves one-on-one confrontation, as opposed to more indirect means, such as boycotts, negotiations and lobbying to change policy.

Direct mailings. Approaching the general public for a contribution to an NGO through a bulk mailing campaign of brochures usually accompanied with pledge forms.

Dissolution of an NGO (winding-up of an NGO and its operations). Various procedures required in each jurisdiction to end the operations of an NGO and pay out its creditors in an orderly way.

E

ECOSOC. The Economic and Social Council of the United Nations is assigned to coordinate the economic, social, and related work of various parts of the UN. It receives advice from numerous NGOs, as well as academics and representatives from the business sector.

European Convention on Human Rights. The European Union's version of the Universal Declaration of Human Rights. It copies very closely the wording of many of the UN's sections. It also established a European Court of Human Rights, which has heard many cases upholding the rights of controversial NGOs to establish and register themselves in countries such as Greece and Turkey.

Executive fiat. An order from a government official whose decision is necessary to authorize actions or procedures, such as the registration of NGOs. Often marked by a high degree of unpredictable discretion that is frequently unchecked by another independent body or court.

F

Fiduciary duty. Duty of trust owed by a director, trustee, or officer to act in the best interests of the NGO, rather than for personal advancement.

Foundation. Usually a large-scale charitable or public purpose organization, often backed by a multinational company, that may be established under a variety of laws. Some foundations are also incorporated as nonprofits (e.g., World Economic Forum in Switzerland). A favored form for grant-giving trusts or societies for the support of the arts.

Founder. Person, company or group that establishes or originates an NGO.

Four-eyes principle. So-called because at least two people will check a financial transaction before it is implemented. Based on the old military “two-keys” principle that the agreement of two officers is required before a weapon can be launched.

Franklin dam campaign. In 1982 environmentalists interfered with planned hydro construction works on state forest land in Tasmania, Australia to stop the destruction of a UN common heritage wilderness area. Their televised actions and arrests popularized the struggle and bought time for federal government intervention and ultimately successful court challenges to halt the works.

Freedom of information laws. Term to refer to various laws and disclosure practices in progressive jurisdictions that allow the general public to access nonsensitive government documents and archives. Certain non-public NGO reports and filings might be disclosed to the public or media if such laws apply to the government departments that collect these reports.

Freedom to associate. A bedrock principle for NGOs and their members to peacefully congregate to pursue their agenda. Often also enshrined in democratic constitutions or bills of rights.

Fundraising ratio. Amount of money raised against the costs of raising it.

G

General assembly. Most common term used to refer to the periodic meetings of all the members of an NGO. Universally must be held at a minimum on an annual basis, but can be more frequent depending on the terms of the constitutive documents or the business needs of the NGO.

Gifts-in-kind. Instead of giving money, personal property such as clothes, food or services may be contributed by donors.

Governance. Manner in which power is exercised by someone, some group or some entity in management. **Governing body.** Term referring to the highest management group of an NGO. Often synonymous with the board or even the general assembly.

Group guarantee. The repayment of a microfinance loan is guaranteed by the other members of the borrowing village group, not just by the debtor herself. Group support is thought to encourage higher peer pressure to honor a loan.

Guantanamo detainee case. In the case of Hamdan the US Supreme Court decided in June 2006 to invalidate military commissions which had been set up in violation of the Geneva Conventions at the US-run prison at Guantanamo Bay for detainees from the campaigns against terror. Notable for a powerful judicial check on the executive branch's interpretation of their powers to act in times of a national emergency and for upholding international humanitarian and treaty principles in the face of domestic derogations or exceptions.

I

Improper personal profit. Any personal financial or business gain at the expense of the best interests of the NGO.

Indirect action. Myriad of NGO activities that do not involve one-on-one confrontation or physical acts, most of which are legal.

Institutional memory. The tacit knowledge and know-how possessed by staff who work for an NGO or IO. It is rarely written down or passed on to new personnel. Frequently it is lost to an entity when the long-serving staff leave, unless the entity introduces knowledge capture and management programs.

Internal governance. Procedures set up inside an NGO to ensure it is operated in an efficient and ethical manner.

L

Legal identity or personality. Capable of having legal rights and duties separate from the individual members. At law persons can be natural (real human beings or individuals) or artificial (companies or other formal entities, including registered NGOs).

Libel. Term referring to various criminal and civil laws that protect persons and companies (sometimes even their products) from unfair or untrue public accusations.

Limited term charitable licensing. Instead of having a perpetual license to operate indefinitely, a charity must periodically convince the registration authorities that it is operating responsibly and in the public interest before it can receive a renewed license. This reform is being considered in light of criticism that some large charities have become complacent and non-responsive to the reasonable demands of government and the general public.

M

Management board or advisory board. Often a board of outside advisers who are experts in their field and are selected to give independent guidance and comments to managers on the operations and programs of an NGO.

Matching gift program. Some companies will match the amount of money their employees give to a charity or qualified NGO through these programs.

Memorandum of Understanding. A written arrangement to collaborate on some project or activity often in the form of an exchange of letters between parties such as IOs, government departments and NGOs. It is not intended to have the force of being legally binding, although the parties will usually honor their promises to each other. It is widely used because it is more convenient to prepare and may not require the formal approval of higher authorities with legal and financial commitment powers.

Mission. The strategic direction or purpose of an NGO. Can be multiple but not too diffuse.

Montreal Protocol. One of the most successful treaties of all time, the Montreal Protocol on Substances That Deplete the Ozone Layer has enjoyed widespread adoption and implementation by countries since it was first opened for signature in 1987. Also has a multilateral fund that helps developing countries pay for their obligations under the treaty to phase out the use of ozone-depleting substances. Especially noteworthy for its fast negotiation after the scientific problem was understood.

Moral turpitude. Serious violation of normal moral standards, most usually involving the commission of a crime or a heinous personal act.

N

Narmada Dam campaign. In the 1980s local people formed a movement to protest their displacement for the construction of a major dam project on the Narmada river in India. The World Bank withdrew financial support after an independent review of the implementation of the project.

Not-for-profit company. A corporation set up under a special section of the company laws for an identified non-commercial reason, such as educational, charitable, social or humanitarian purposes. While NPOs may have the traditional management structure of a company, i.e., CEOs, officers and boards of directors, they do not have shareholders who receive profits or distributions of its assets.

O

Open letter. A protest or complaint letter addressed to the target of a campaign (e.g., CEO of an offending company) that is publicly displayed by the writer usually in a paid advertisement of a newspaper. Now more frequently posted on the Internet, which is cheaper but less visible.

Outside oversight. External checking by an independent body of an NGO's operations and governance. **Overhead or administrative expenses.** Back office expenses that must be met to deliver aid or service in the field to the beneficiaries in need. Frequently criticized if too high or misspent on lavish rent and perks for HQ executives.

P

Parody or hate site. Web site with the purpose of making fun or criticizing its target, which might be a government, company or individual.

Partnership. Relationship among people carrying on a common business for shared profit, but who are not members of an incorporated company.

Philanthrocapitalism. Newly-coined phrase that refers to the new breed of wealthy capitalists or celebrities who are socially active in their preferred charities or causes.

Public benefit. An important concept for NGOs in order to obtain tax privileges and exemptions because their activities are beneficial to the general public good of society rather than being for a money-making endeavor or for members' personal enjoyment.

Public liability insurance. New form of insurance that covers an NGO for its damage or negligence to members of the general public. It may have to be offered by a government agency; commercial insurance companies may not find it a lucrative enough market to enter.

S

Sarbanes-Oxley Act or SOX. More formally the Public Company Accounting Reform and Investor Protection Act of 2002. After the Enron scandal, US legislators Sarbanes and Oxley sponsored this wide-sweeping reform of corporate governance of publicly traded companies in the United States. Certain provisions are also relevant for large NGOs and foundations. Similar legislative reforms have taken place around the world; these are frequently known as SOX reforms.

Self-dealing. Improper mixing of personal business interests with those of the NGO, where a director or officer causes an NGO to enter into a financial or business arrangement for the benefit of the director or officer.

Self-regulation. Instead of being controlled by the government, an NGO or a sector of civil society undertakes to police its own activities.

Sharp practice. While not strictly illegal, this activity may cross the bounds of what is normally considered ethical or a good business practice for an NGO.

Special-favor deals. A business deal where an advantage is offered to an insider or a person connected with the managers of the NGO. Most often these are unfair and improper to the disadvantage of the NGO. **Stakeholder.** Any person or group with an interest in an NGO or IO or their operations and programs. Does not have to be a member or volunteer and is often someone who is being helped by the NGO's programs.

Statute or statutory law. Laws formally written down by legislatures or parliaments in enactments, as opposed to judge-created case law.

Subsidiarity. Useful concept developed by the EU to mean taking important decisions at the lowest and most efficient level so as to encourage more direct involvement of the persons usually affected. Also sometimes known as "new localism."

T

Tax exemptions and privileges (tax breaks). Generic terms to refer to the myriad of tax relief provisions offered by governments for both the NGO and persons who donate money to registered NGOs that qualify for such privileges.

Transparency. Allowing outsiders to see the inside workings and decision-making processes of an NGO or its management body. Also known as "information flows."

Trust. Has many legal definitions; for our purposes mainly refers to a form of NGO set up by a wealthy individual (benefactor) either during their lifetime or through a testamentary will for a non-commercial purpose, frequently for the benefit of others or a philanthropic activity.

Trustee. One who holds property or money on trust for others, or provides services for the benefit of others; the managers of a trust.

U

Unincorporated association. A group that has not taken formal legal action to organize itself into a separate legal entity; such a group is unincorporated, not a corporate body of associated people. Many NGOs begin in this form but find they must evolve into a more formal entity as they grow.

Universal Declaration of Human Rights. The United Nations General Assembly's first bill of rights dating from 1948. While it is not strictly legally binding on states, it has long been recognized as declaratory of customary international human rights law.

V

Venality. Being susceptible to corruption or bribery or using one's position of trust for an improper personal benefit or dishonest gain.

W

Watchdogs. Usually independent NGOs that oversee (with or without permission) the operations of other NGOs or IOs that are active in areas of particular interest, such as the environment or indigenous peoples. **Whistleblower.** Usually an inside person who discloses wrongdoing or sharp business practices in an NGO, IO or company. Many progressive jurisdictions protect them from retaliation that could affect their employment prospects.

Winding-up (or dissolution) of an NGO and its operations. Various procedures required in each jurisdiction to end the operations of an NGO and pay out its creditors in an orderly way.

Finding Aid

Note: Numbers below refer to the corresponding tips, not to the page numbers.

A

abuse, prevention of	29
accreditation organizations	32
accountability to the members of an NGO	45
accounting standards and practices, common or generally accepted	54
accounting transactions or payments	23
advocacy strategy	93
anonymous complaints	90
assaults, public stunts constituting	67
association, not incorporated in legal form	1, 88
assumptions, testing and addressing of	55, 56

B

“bad laws”, obedience and upholding of	66
best practices, written down	30
business operations, risk of engaging in too much	72

C

“character assassinations”	62
charities	3, 77
clients and paymasters of NGOs, clarity as to	59
codes of conduct	30

collected contributions, prompt deposit of	35	
collective action	16	
comments from the public or giving evidence before hearings	44, 74, 82	
commingling of funds	24	
communication of relevant information	50	
community facilitation for a project	86	
compensation or benefits for NGO staff	18, 22	
competing for state money and awards of contract	73	
competition by NGOs with developing countries for development assistance		70
complaints or critical reports, filing of before various UN commissions	83	
complaint filers, definition of	88	
control systems, setting up of	22, 34, 55	
contingency plan	37	
contracting of NGOs by international organizations	79, 80, 81	
cost effectiveness	38	
criminal and civil risks	60, 67, 68	
cyber (online) presence or existence	2	
D		
debts and liabilities, no exposure for members to	6	
deficit, running of persistent	49	
delisting registration, notice of	12	
direct actions which may result in criminal or civil risks	68	
disaster relief operations, risk of friction with host state	69	
disclosure of salaries and information of top paid officers	26	
dissolution (or winding-up) of an NGO	28	

document preparation in a local language	89
donation or grant, danger of promises not honored	75
donor base, source of support	43
E	
eighty percent (support from)—20% (of donors) principle	43
empowerment for a project	86
experts, review by outside	46
extravagance, avoidance of	40
F	
failed projects, writing up and sharing publicly of	52
feasibility of planned activities given resources	57
filings, unified and easy	10
financial crosscheck	19
foundation	3, 71, 77
framing issues in media-friendly style	92, 93
fraud	25, 29, 46
free accreditation/ monitoring organizations	32
“free lunch”	33
free T-shirts as walking billboards for NGO’s message	99
fundraiser, commercial	41
fundraising expenses, reasonableness of	39, 40
full cost of an activity, capturing the	53, 54

G

governance meltdowns 25

grant funding 75, 76

H

hearings for taking public comments 74, 82

I

implementation of a development program 85

incitement to commit criminal acts 60

independent contractor or supplier of services to a commissioning IO 81

information comparisons across time and formats 50, 51

information requests, writing to resident office of an IO or right person at HQ 87

international organizations (IOs) 79- 88

interviews with media, professional follow-up to 94, 95

insurance schemes 14, 42

L

lawbreaking, attempted justification for a higher purpose 64

legal knowledge and tradition 5

letters to the editor 96

liability for debts 6

local language, usage in documents of complaint 89

local or national aspect of an issue or story, finding the 91, 97

M

meetings or interviews, preparation for with facts and figures 94

media tools 98

members' liability for NGO's debts	6
measuring and monitoring communications success	97
minority rights, promoting greater	9
money flows, low level of	21
monitoring implementation of a development program	85
monitoring organizations	32

N

net assets	48
networking arrangements	17
not-for-profit foundations and charities, tax status of	72, 77

O

observer status before IOs	82
one-stop (government) agency for NGO setting up	7
online existence or presence	2, 45
open feedback page on web site	44
opportunities to provide speeches or training courses for IOs	84
organize, right to	15
overheads, wasteful or profligate	47, 71
overseas development assistance (ODA)	70

P

period contract arrangements	80
"pie-throwing" stunts for publicity	67
posting online questionable or risky material	63
preferential treatment or priority payments	27

prevention of abuse, waste and fraud	29
private donations for public purposes	71
proposal writing for obtaining grants	76
public liability insurance	14, 42
public purposes	71
public reputation	31
public rights, legal defense of	13
publicly-announced contingency plan	37

Q

quick registration or incorporated	7
------------------------------------	---

R

remuneration options by international organizations	79
reputations, criticism or attack of	31, 61
review by outside experts	46
registered charities and foundations	3, 41
resources, scale of in relation to activities	57, 59
rights at international law	9, 13, 15, 83
risks, proper addressing of	55, 56, 67

S

self-restriction	31
simplified separate NGO or NPO status	10
small NGOs/ NPOs	21
special NGO laws	7, 8, 10
stakeholders, serving multiple	15, 50, 58

supplier of services to a commissioning IO	81
swapping collected funds for another purpose	36
T	
tax status	3, 72, 77, 78
third party insurance	42
training courses for IOs, provision of by NGOs	84
training for grant fund proposal writing	76
retaining the trust and confidence of the public	100
trust funds, source of	4
U	
umbrella organizations	17, 32, 78
unethical behavior of members or executive officers	34
unified filings	10
unincorporated associations	1
United Nations commissions, filing complaints or critical reports before	83
V	
valid business purpose test	20
W	
“walking billboards” of NGO’s message	99
waste, prevention of	29
winding-up (or dissolution) of an NGO	28

The Asian Development Bank Institute (ADBI), located in Tokyo, is a subsidiary of the Asian Development Bank (ADB). It was established in December 1997 to respond to two needs of developing member countries: identification of effective development strategies and improvement of the capacity for sound development management of agencies and organizations in developing member countries. As a provider of knowledge for development and a training center, the Institute serves a region stretching from the Central Asian republics to the Pacific islands.

The Institute's four priority theme areas are Poverty Reduction, Regional Cooperation, Private Sector Development, and Governance.

A new area of specialization, Infrastructure for Regional Cooperation, has been added to bring coordination to research projects that span multiple countries and areas of interest.

Most ADBI publications are freely available electronically for download, print, or viewing online. The catalog is available at <http://www.adbi.org/catalog> and is updated whenever new titles are published. To keep track of new items posted online, you may wish to subscribe for free to our e-notification system which will send you an email alert. Subscription details can be found on our website at <http://www.adbi.org/email.notification/register.php>

Asian Development Bank Institute
Kasumigaseki Building 8F
3-2-5 Kasumigaseki, Chiyoda-ku
Tokyo 100-6008, Japan
<http://www.adbi.org/publications>