

EFC Code of Practice

Preamble

Independent funders are committed to the development and promotion of innovative, flexible, and effective responses to specific social, cultural, environmental, educational, scientific, health and economic challenges in today's society.

Independent funders acknowledge the importance of operating in accordance with the wishes of founders who provided initial capital or, in the case of foundations and corporate philanthropy which are dependent upon multiple donations, the wishes and concerns of such donors.

In fulfilling their role in helping build a just, sustainable and pluralistic civil society by providing resources and undertaking operational projects, independent funders acknowledge the importance of openness, transparency, integrity, accountability and self-regulation.

Independent funders also recognise the value of diversity and the need to avoid unnecessary duplication in the use of resources and the exercise of good stewardship.

In subscribing to these principles, foundations and other independent funders should act for public benefit according to the law in democratic societies as follows:

1. Towards the Public at Large

a. Policy and Programmes

Independent funders should define a clear set of basic policies specifying their mission, objectives, goals and related programmes and review these on a regular basis. Independent funders should ensure open communication with the public at large by disclosing aims, and objectives, procedures and programme interests.

b. Governance

Independent funders acknowledge the importance of an identifiable decision-making body (hereinafter "the board"), whose members and successors should be nominated in accordance with established principles and procedures.

Independent funders also recognise the need for obligations of their board, including decision-making procedures within the organisation, to be clearly defined, and for provision to be made where applicable for delegation of competence and authority.

Independent funders should ensure public record availability of their statutes and the composition of their board.

c. Finance

Independent funders should maintain accounts in accordance with standards and practices obtaining in their respective countries and, further, should observe transparency with respect to income, expenditure and assets.

d. Annual Reporting

Independent funders undertake to inform the general public on a regular basis by means of periodic reports, including annual reports or equivalent information packages available on request which include:

- an explicit narrative of funder purpose and activities in the fiscal year of record such as to enable direct year-on-year comparisons
- a descriptive summary of principal sources of revenue and information on revenue generation
- a descriptive summary of expenditures
- a descriptive summary of grants awarded to other institutions and organisations, as appropriate; and
- a list of board members.

2. Towards Those Supported

Independent funders should function transparently with regard to activities supported and related results.

Independent funders that have a grantmaking activity should disclose appropriate information regarding their grant-making practices, including geographic and policy limitations and procedures for making grant decisions.

Decision-making procedures should be appropriate and objective.

Applicants should be notified of decisions within a reasonable period of time.

Requirements for monitoring and evaluation should be appropriate to the funds awarded and should be made known at the time of award.

Grants should not be withdrawn or terminated once awarded, other than in exceptional circumstances and for well-founded reasons.

3. Towards Authorities

Independent funders should comply with statutory obligations and restrictions in the jurisdiction(s) in which they operate, and ensure disclosure of and access to information concerning their organisation's statute, support activities, income and expenditures, and board members.

4. Towards Self

Independent funders are committed to promote efficient organisation and work while ensuring prudent and sustainable management, investment strategies and procedures, and use of resources.

With a view to promoting and executing sound management policies according to objectives and goals set by their board, they should choose and implement the measures most appropriate to attain those objectives and to achieve those goals.

To this end, the institution board and executive staff should ensure that management practices and resources are commensurate with the needs of activities and programmes supported.

Independent funders should ensure appropriate internal control of resources, carry out internal monitoring, evaluation of programmes supported, and long-term planning measures of performance (monitoring) and outcome (evaluation) should be established in a way that is appropriate to the level of activity and services, and/or to the support and funds provided.

<http://www.efc.be/codex/principles.html>