



**DON EN CONFIANCE
CODE OF CONDUCT**

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PREAMBLE

Non-profit entities who raise funds from the public to finance their activities are of interest to society as a whole. These fundraising activities:

- Are essential to actions of solidarity and therefore a component of social cohesion.
- Generate significant financial flows which need to be both safeguarded and developed to meet society's needs.
- Require that respect be shown to both donors and beneficiaries of these activities.
- Create a duty for fundraising entities to use collected funds, communicate with and inform donors in a thorough and transparent manner, and to manage funds benevolently.

These organizations are also facing deep changes in the involvement of government and other public authorities and of private initiative, either by individuals or businesses, in a more constrained and competitive environment.

It is to meet this challenge that the Comité de la Charte du Don en confiance has developed ethical principles and requirements laid out in the following Code of conduct which is made of:

- The organization's pledge
- The Charte du Don en confiance
 - guiding principles of the Charte
 - requirements and rules
- The recommendations which the Comité de la Charte du Don en confiance will issue from time to time to organizations
- The glossary of terms used

PLEDGE

"We, as an organization raising funds through appeals to the public's generosity to fulfill a mission of public benefit, pledge to abide by the principles and requirements of the Charte du Don en confiance, convinced that the donors' trust creates the duty and obligation for us to meet their expectations.

We agree to defer to the Comité de la Charte du Don en confiance's monitoring of our compliance with the ethical principles and requirements and we vouch that they will be abided by in all entities included in the accreditation's scope."

THE CHARTE DU DON EN CONFIANCE

PRINCIPLES

RESPECT OF DONORS

Solicitations must convey respect of donors. In addition, as the recipient of their generosity, the organization is committed to faithfully meet the donors' expectations.

TRANSPARENCY

The organization discloses what it is, what it does and how it operates, its current condition, in particular its financial condition, taking care not to provide an incomplete picture, even when it is facing difficulties with its resources or operations.

EFFICIENCY

As the recipient of the public's generosity, the organization needs to strive to make the best possible use of the means entrusted to it to achieve its social objective.

PROBITY AND BENEVOLENT MANAGEMENT

With no other goal than the performance of its mission, the organization operates in honesty and will not procure financial benefits to its members, founders, or staff members and will prevent conflicts of interest.

REQUIREMENTS

BASED ON THE ABOVE PRINCIPLES, THE REQUIREMENTS ADDRESS THREE AREAS: GOVERNANCE, MANAGEMENT AND COMMUNICATIONS.

I. GOVERNANCE

II. MANAGEMENT

III. COMMUNICATIONS

I . GOVERNANCE

THE ORGANIZATION'S GOVERNANCE AIMS AT MONITORING ITS ACTIVITIES AND THE BENEVOLENT CONDUCT OF THOSE WHO ARE INVOLVED IN THEM.



I . 1 THE ORGANIZATION'S CONSTITUTION CLEARLY DEFINES HOW ITS GOVERNING BODY OPERATES, IF NEED BE SUPPLEMENTED BY INTERNAL REGULATIONS OR OTHER DOCUMENTS TO THE SAME EFFECT.

I . 1 . 1 In associations, a general meeting of all its members is the ultimate decision-making authority and meets at least once a year. Terms under which members are admitted and terminated, their rights and obligations are spelled out.

I . 1 . 2 A collective body, usually called a board, with at least three members, duly empowered, is in charge of its management and meets at least twice a year.

I . 1 . 3 An organization may decide to set up committees to be involved in the execution of its social mission as provided for by its constitution or internal regulations or through a decision of one of its statutory bodies. For each of them, it stipulates whether its role is solely advisory or whether it has received an extensive delegation of powers from the statutory body to which it reports.

For each committee, the organization defines its area, its composition, its operating procedures, the tasks assigned to it, as well as the process through which its members are appointed, for how long, and their compensation, if any.

This is described in a document available to all.

I . 1 . 4 The committees which are involved in the roll-out of the social mission by taking part in the selection of projects submit their recommendations to the board or the relevant decision-making body in total independence. The decision-making body informs the committee of its decisions when they do not match its recommendations. The list of the committees and their compositions are included in the Annual report.



I . 2 BOARD MEMBERS AND EXECUTIVES FULFILL THEIR DUTIES WITHOUT SEEKING ANY PERSONAL BENEFIT.

I . 2 . 1 Board members do not draw compensation except in special instances as described below.

I . 2 . 2 It may be in an organization's interest to depart from the stated rule and to compensate its president, or even some of the board members, in addition to the reimbursement of their expenses. In such a departure from the rule and in addition to statutory and regulatory requirements, it will abide by the following:

I . 2 . 2 . 1 *Compensation can only indemnify the activity associated with the elective mandate.*

I . 2 . 2 . 2 *The constitution or internal regulations include provisions for such compensation. In particular, the board, which will decide at a two-third majority excluding interested parties, ensures that:*

- *The decision to compensate the president or other board members is clearly motivated solely by the interests of the organization.*
- *The decision encompasses all the provisions relative to the compensation and terms of employment, including benefits in kind if any.*

I . 2 . 2 . 3 *All the decisions bearing on the compensation of a board member are reported in the board meeting's minutes. To review the issue, the board can call on an ad hoc committee of its own members, barring interested parties. As they apply for the duration of the current mandate, they are reviewed at each renewal.*

I.2.2.4 An age limit is introduced.

I.2.2.5 Successive mandates are term-limited. Such terms may not exceed three years each or the limit already applicable in the organization.

I.2.2.6 New written procedures are introduced and approved by the board about the devolution of powers between board members drawing compensation and other executives.

I.2.3 An organization's surplus is not distributed, either directly or indirectly. An organization's assets, such as tangible and intangible assets, cannot be allocated to members of the organization or related parties, either for free or for a consideration, unless in exceptional circumstances and with the written agreement of its governing board in accordance to internal rules.

I.2.4 Any contract or convention between an organization and its executives or related parties of those executives which could raise doubts about the benevolent nature of their activities is prohibited.

I.2.5 An organization may find it advantageous exceptionnally to grant board members benefits in kind related to their duties as such, provided they are validated by the Board.



I.3 THE BOARD HAS THE MEANS TO CONTROL THE ORGANIZATION'S MISSION.

I.3.1 All communications are issued under the responsibility of the governing bodies. The board decides how the entity communicates with donors and validates the disclosures on its governance. The contents of *l'Essentiel* are prepared by the organization's management and validated by the board or representatives duly mandated by it (see III below).

I.3.2 It monitors fundraising and the use of funds.

I.3.2.1 Once a year, it approves the fundraising and message content strategies and the frequency of donor appeals.

I.3.2.2 It evaluates fundraising performance by checking it against total operating expenses. It ensures that, allowing for the organization's specific operating environment, those costs are kept at a reasonable level in relation to funds raised and the organization's total operating expenses.

I.3.2.3 It sets and reviews the bases on which fundraising agencies and contractors are compensated. When fundraising channels other than mailings are used, it decides on which basis (number of gifts, number of clicks...) contractors are to be compensated, to the exclusion of a percentage of funds raised.

I.3.2.4 It decides on donor data swaps, rentals and sales while safeguarding the control of their personal data by donors.

I.3.2.5 It decides on the processes (data sources, venues...) aimed at encouraging bequests and other donations.

I.3.2.6 It reviews the rules applied to partnerships with businesses (gifts, product placements).

I.3.2.7 It ensures that written procedures are in place in regard to the collection of funds, the recording and management of donations in kind, the issuance of receipts for tax purposes, the monitoring of restricted funds as well as for donor acquisition, relations with donors, the communications about bequests and other donations and the management of those bequests and donations.

I.3.2.8 When the case arises, the board approves the legal framework of the allocation or transfer of funds to other entities. This framework should define the operational purposes of the funds allocated or transferred, the conditions for their effective allocation or transfer, how they are to be transferred, and how the use of the funds will be monitored.

I.3.2.9 When the fundraising literature for restricted funds has informed donors that funds in excess of requirements could be reallocated, the board or representatives duly mandated by it, defines and authorizes the reallocation of excess funds.

MODIF. I.3.3 The board decides on the financial management of the organization and has to be kept informed of its developments. It should therefore decide on:

- The policy regarding the creation and management of reserves, and among them those arising from the public's generosity, and their consistency with the organization's mission and the goals stated in appeals to the public's generosity.
- The investment policy, borrowings, guarantees and pledges, in particular as regards good practices relating to social, environmental and governance issues, and on the duration, yield, liquidity and risks of investments.

I.3.4 Governing bodies authorize the launch of subsidiaries or similar entities and are kept informed on a regular basis of their conditions through the effective monitoring of their activities and make sure that information about the relationships between the organization and its subsidiaries is provided in the annual financial report.

I.3.5 The board makes sure that when the entity engages in commercial activities, either directly or through subsidiaries or similar entities, such activities are consistent with the organization's purpose.

I.3.6 The board, with appropriate support such as an audit committee, if any, ensures that appropriate controls are in place to monitor operations and control risks. It monitors the permanence and proper operation of the internal control systems.

I.3.7 The board makes sure that a process is in place to evaluate activities and projects either undertaken or financed by the organization. It reviews its results from time to time to request adjustments to its orientations when necessary.

I.3.8 The Board will approve a policy to prevent or manage conflicts of interest and supervise the introduction and operation of the appropriate procedures.

NEW I.3.9 The Board, or duly empowered officers, approve the organizations's payroll policy. It is kept informed of the implementation of that policy.



I.4 THE ORGANIZATION WILL PREVENT AND MANAGE CONFLICTS OF INTEREST.

I.4.1 The organization develops a policy to identify, manage, prevent and settle conflicts of interest.

I.4.2 The organization introduces an appropriate operating process to control the risk of conflicts of interests. This process is developed through procedures and controls that identify potential conflicts of interest, either apparent or real, prevent them and manage actual cases. From time to time, a review of actual cases and how they have been managed is provided to the Board.

I.4.3 Decision making bodies and individuals in charge of sensitive duties are regularly reminded of potential conflicts of interest, and appropriate measures taken in that respect.

II . MANAGEMENT

THE ORGANIZATION IS MANAGED RIGOROUSLY TO THE BENEFIT OF
ITS SOCIAL MISSION.



II.1 PROCEDURES AND CONTROLS HAVE BEEN INTRODUCED TO GUARANTEE THE SAFETY, COMPLIANCE AND EFFICIENCY OF THE ORGANIZATION'S MANAGEMENT AND OF ALL ITS BRANCHES.

II.1.1 The organization introduces procedures to validate steps in the decision and execution processes of funded projects and missions. Those procedures make provisions for adequate operational and financial controls and for evaluating outcomes.

II.1.2 Traceability of the allocation of funds is available through the IT system, the accounts and operations. If the organization transfers a significant portion of its funds to a foreign collecting entity, the traceability requirement extends to that entity.

II.1.3 When funds are allocated to other entities, a formal written agreement between the organization and the recipient provides for the verification of their proper use.

II.1.4 A procedure is introduced on how grants are allocated to projects or entities with which a member of the selection committee is directly or indirectly associated. The procedure specifies that the member does not attend meetings which make recommendations and decisions affecting them.

II.1.5 The leading entity of a complex organization vouches for the observance of the Charte and the resulting obligations by all entities. These entities endorse those obligations. The leading entity can provide evidence of the means to that end, as it relates to fundraising activities and the use of funds collected. Statutory or other provisions (conventions, procedures...) spell out the relationships between the various entities included in the scope and how the leading entity can control them.



II.2 THE ORGANIZATION HAS INTRODUCED PROVISIONS TO CONTROL ITS ACTIVITIES.

II.2.1 The organization identifies and assesses the risks associated with its activities and operations. It engages in risk mitigation.

II.2.2 To ensure that it is able to achieve its objectives within the framework of its values and social mission, and to control risks, the organization operates an appropriate system with the following features:

- An appropriate organizational structure of the association or foundation which provides the framework for the performance of activities by spelling out responsibilities and powers, job descriptions, procedures and operating instructions and practices, including provisions for all fundraising activities.
- Information systems which support the implementation of internal controls.

II.2.3 The organization introduces operating controls to mitigate risks to an acceptable level which management monitors continuously.



II.3 THE ORGANIZATION EVALUATES ITS ACTIVITIES AND PROJECTS.

The organization implements one or more evaluation processes, internal or external, consistent with its structure and the nature of its missions to measure the qualitative and/or quantitative outcomes of all or part of its activities and projects. Those processes are supported by the organization's management.



II.4 AS REQUIRED BY APPLICABLE LAWS AND REGULATIONS, ANNUAL FINANCIAL STATEMENTS ARE CERTIFIED BY AN AUDITOR THAT THEY PROVIDE A TRUE AND FAIR VIEW. IF ANY, COMBINED ACCOUNTS INCLUDING THE STATEMENT OF USE OF RESOURCES ARE FINALIZED AND APPROVED BY THE GOVERNING BODIES OF THE ORGANIZATION IN CHARGE OF THE COMBINATION AND CERTIFIED BY THEIR AUDITOR.



II.5 THE ORGANIZATION MANAGES ITS FINANCES IN ORDER TO FULFIL COMMITMENTS TOWARDS DONORS WHILE ENSURING ITS ABILITY TO KEEP PERFORMING ITS MISSION IN THE LONG TERM.

II.5.1 The organization's objective is the performance of its mission. Surpluses have no other uses than ensuring its ability to keep performing its mission in the long term (setting-up of reserves, updating its endowment [for a foundation], providing for future increases in fixed assets...)

II.5.1.1 The organization decides on the appropriate level of reserves according to its operating needs and development prospects in order to avoid the permanent build-up of surpluses.

II.5.2 Investments may be necessary for some organizations without being an end in themselves, even though income thus generated may contribute to the organization's mission.

II.5.2.1 Fundraising from donors should contribute in priority to the organization's mission, to its operating and fundraising costs; Its use for investments can only be subordinated to those uses, unless otherwise directed by the organization's status.

II.5.2.2 Investment of funds provided by the public's generosity have by necessity to be prudent and thoughtful, whatever its chosen vehicles. In that respect, low risk takes precedence over yield.

II.5.2.3 Investments' time horizons and risks have to be consistent with the prospects for the use of invested funds.



II.6 THE ORGANIZATION STRIVES TO MANAGE ITS AFFAIRS EFFICIENTLY AND RIGOROUSLY.

II.6.1 The selection of contractors and suppliers is based on objective criteria and the avoidance of conflicts of interest.

II.6.1.1 *Any relationship with contractors or suppliers that could jeopardize the benevolent nature of management is prohibited.*

II.6.1.2 *Exceptionally, when the organization has to contract for such paid services with entities in which:*

- *A member of its own board, or their relations,*
- *A staff member of the organization, or their relations,*

holds significant interests or which they can influence, it makes sure that the rules to safeguard the benevolent nature of its management as defined in its internal controls are strictly adhered to.

II.6.1.3 *Neither the organization's salaried staff members nor its volunteers unduly benefit from their positions, either directly or indirectly.*

II.6.1.4 *The organization produces a special report on transactions entered into as per II.6.1.2.*

II.6.2 The organization's management practices aim at optimizing the use of available funds.

II.6.2.1 *It procures goods and services on a fully objective basis. In particular:*

- *Suppliers and contractors are selected on the basis of formal requests for proposals. Beyond a significance threshold set by the board or its authorized representatives, competing written tender offers are requested. The terms of the requests are free from bias and are available for audit purposes.*
- *The organization does not enter into contracts of undue duration; compensation is based on known terms (price lists, estimates...).*
- *Suppliers' contracts are reviewed regularly at set intervals.*

II.6.2.2 *It makes sure that a contract does not transfer to it responsibilities that should be borne by the contractor or that the contractor does not disclaim all responsibility, for instance for the quality of services provided by subcontractors. The organization applies due diligence, in particular in the checking of offers and invoices.*

II.6.2.3 *The organization implements the means to ensure the observance of the requirements of the Charte by all its contractors.*

II.6.2.4 *Selling advertising space through a media agency is no solicitation of gifts and granting the agency a commission based on advertising revenue is therefore acceptable provided that:*

- *It does not exceed 50%.*
- *The agency bears all selling expenses.*
- *Resulting gifts are transferred to the organization in full.*

II.6.3 The organization introduces a consistent framework for the optimization of the investment of available funds, supported by knowledgeable inside or outside capabilities.



II.7 REVENUES RAISED FROM THE PUBLIC'S GENEROSITY ARE ALLOCATED ACCORDING TO THE DONORS' INTENT.

II.7.1 Any gift or donation, either having been solicited or not, either allocated or not, creates an obligation between the donor and the organization.

II.7.2 Donations and bequests are declined if they don't fit with the organization's social mission or prospects or if their desired allocation cannot be fulfilled.

II.7.3 The possibility that part of the funds collected may be reallocated by the organization is mentioned in the appeal and in the reply coupon, if any.



II.8 THE ORGANIZATION CONTROLS THE FUNDRAISING PROCESS.

II.8.1 Compensation of fundraisers: The organization prohibits any compensation based on the amounts collected. This requirement applies to in-house fundraisers, whether staff members or volunteers as well as to agencies, consultants and contractors who contribute to fundraising. For fundraising activities other than mailings, the organization may base compensation on the number of gifts received, except for in-house fundraisers.

II.8.2 Control of fundraising campaigns

II.8.2.1 *The organization takes care not to leave a single contractor in charge of such activities that would hand over to it full control of the fundraising process. It shares out fundraising activities to separate contractors, in particular for campaign communications and donors' data management.*

- *The organization is sufficiently apprised of relationships between the agency, the subcontractors and brokers if any and they are transparent enough, including group and other relationships.*
- *Contractors are not allowed to levy commissions on their subcontractors and brokers, if any,*

II.8.2.2 *When the organization subcontracts all or part of the management of its database and/or of the processing of its collection (recording of cheques...):*

- *It monitors the processing of gifts and the issuance of the tax receipts to prevent embezzlement.*
- *It does not compensate the contractors on the basis of funds collected.*

II.8.2.3 *It is legitimate that gifts collected bear the collection costs and the operating expenses of the organization. The amount available is allocated to the relevant project or activity.*



II.9 FUNDRAISING MAY BE ENTRUSTED TO A THIRD PARTY.

II.9.1 Fundraising campaigns managed by a third party to the benefit of the organization are subject to written conventions including a mention that the principles of the Charte are to be abided by and spelling out each party's contributions. The organization controls the use of its name, logo and brand and all the communications associated to the campaign and all the provisions relating to the funds transferred to it by third parties.

II.9.2 For any fundraising campaign organized abroad for its benefit, the organization makes sure that local legal requirements are met.



II.10 REQUESTS AND OTHER DONATIONS REQUIRE AN APPROPRIATE, BENEVOLENT APPROACH, IN PARTICULAR TO ENSURE THE RESPECT OF THE AUTONOMOUS INTENT OF THE DONOR.

II.10.1 Requests and other donations are processed with the confidentiality required at certain stages, from prospect identification to the closing of the case.

II.10.2 The internal procedure to handle prospect identification, the relationship with the benefactor, the processing of bequests and other donations and the related communications will spell out:

- The governing body authorized to accept or refuse bequests and other donations offered to the organization.
- The internal departments, or individual, dedicated to those activities.
- The individuals who are authorized to implement the process, how they are to contact potential donors and follow them up.
- How correspondence, visit and interview reports are filed.
- How collected information and data are managed internally and externally.
- The content and frequency of the reporting to the organization's board (financial reporting, case life-cycle, litigation, property disposals).
- The legal and accounting processes necessary for the traceability of donations and the charges that may encumber them.
- The provisions for external communications about the management of donations by the organization when they amount to a significant share of total funds collected.

II.10.3 Individuals involved in the management of bequests and other donations are fully informed of the related ethical challenges:

- Conflicts of interest are prohibited in the search for prospects and the processing of cases.
- Any individual involved in the search for prospects and the processing of bequests and other donations renounces any advantage or benefit that the donor could bestow on them, either directly or indirectly, except in special cases expressly authorized in writing by the governing body of the organization, including its reasoning, in accordance with its internal controls.

II.10.4 To ensure neutrality in the disposal of property received, it is prohibited to sell them over the counter to the organization's staff members or volunteers, or to their spouses or offspring, except in special cases expressly authorized in writing by the governing body of the organization, including its reasoning, in accordance with its internal controls.

II.10.5 To optimize the proceeds of the sales of property received through bequests and donations, separate provisions are made for property and chattels. In case of joint ownership and to foster a successful outcome, terms and conditions of the sale are, to all extent possible, to be agreed to jointly by the organizations. Information about the properties that is deemed to be confidential is managed as such.

II.10.6 The organization should ensure that the legal and accounting processing of the cases is not unduly drawn out.



II.11 THE ORGANIZATION SHOULD ENSURE THAT APPROPRIATE MEASURES ARE TAKEN TO SAFEGUARD DONORS' DATA INTEGRITY, CONFIDENTIALITY AND AVAILABILITY.

III . COMMUNICATIONS

THE ORGANIZATION PROVIDES INFORMATION TO MEET THE EXPECTATIONS OF DONORS AND THE PUBLIC.



III.1 THE ORGANIZATION PROVIDES TO ALL INFORMATION ON ITS SET-UP AND ACTIVITIES WHICH IS RELIABLE, TRUTHFUL, DETAILED, UNBIASED AND VERIFIED.

III.1.1 Communications aim at giving a true picture, free of any inaccuracy, ambiguity, exaggeration or omission liable to mislead the public.

III.1. The issuer of the communications is always explicitly named.

III.1.3 The purpose of the communications is to inform on the organization's overall orientation, its commitments, its chosen activities, the origin and use of its funding.

III.1.4 Communications are respectful of individuals:

- They do not make excessive references to human distress.
- They only use fundraising channels respectful of donors and contributors.
- They include commitments to abide by the legal and regulatory provisions regarding personal data protection and appeals to the public's generosity, to disclose to donors what use is made of their personal data and to allow them to exercise their rights regarding those personal data.

III.1.5 Communications are respectful of other organizations when using comparisons:

When an organization is led to compare itself or one of its products, services or activities with one or several similar organizations', communications can only be facts-based, verifiable and substantiated.

Communications are not misleading or confusing.

They avoid to rely unduly on the renown of another organization's brand.

They do not cast aspersions on any organization mentioned.

III.1.6 Appeals to the public's generosity include detailed and unambiguous information:

III.1.6.1 *Gifts are always made to the name of the organization.*

III.1.6.2 *Mention of it is made when the organization belongs to a network which may significantly influence its orientations, its activities or its management.*

III.1.6.3 *When appeals are made to the benefit of identified individuals, in particular, appeals for sponsors, the appeal specifies whether collected funds will be effectively dedicated to them, whether they will be allocated to a collective project or whether those individuals are only disclosed as examples. When the appeal is made for the benefit of a named individual, donors are informed of how funds in excess of needs, if any, will be used. When an organization proposes to establish a direct relationship between individuals in need and donors as individual or collective sponsors, the organization will commit to provide regularly information on the beneficiaries, the projects and the local situation.*

III.1.6.4 *When the organization allocates and transfers collected funds to corporate entities, partners, local front-line operators, or business entities, it explicitly informs donors at the time of the appeal whenever possible. It lists the recipients (or the most important among them if their numbers are significant, or by categories) in its annual report or makes the list available upon request by any appropriate means.*

III.1.6.5 *When an organization transfers a significant share of collected funds to a foreign or international collecting entity, it provides its donors with information on the origin and use of that collecting entity's funds by any appropriate means.*

III.1.6.6 *When appeals are organized for the benefit of the organization by a third party, the public is clearly informed of the amount or the share allocated to each stakeholder.*

III.1.6.7 *When appeals are organized jointly by several organizations, or if some or all of the funds collected are to be transferred to another entity – in particular to a foreign or international collecting entity –*

this is disclosed in the appeals. Directions are given on how to access information on funds transferred and allocation ratios, if any. This transfer of funds is singled out in the organization's statement of use of resources.

III.1.7 Ratios, percentages and charts are presented in publications to help readers to understand and analyse information.

III.1.7.1 Ratios and charts must be meaningful, consistent, and should derive directly from the figures in annual reports and financial statements in their structures and contents.

III.1.7.2 The numerators and denominators are always identified unambiguously, are directly related, are values that compare logically, are relevant and realistic. The comparison of ratios from one period to the next or from one document to another is based on ratios defined in the same manner. Any change in how a ratio is computed is reported in a footnote and the prior year's ratios are recalculated on the new basis.

III.1.8 Any communication on the results or impact of the organization's activities or projects is based on verifiable data supplied by the organization's evaluation processes. Activities for which results are disclosed are representative of the organization's missions.



III.2 THE ORGANIZATION PROVIDES THE PUBLIC AND DONORS WITH SUMMARY INFORMATION ON ITS ACTIVITIES AND OPERATIONS.

III.2.1 The organization publishes annually a document with summary, clear and educational information called *L'Essentiel*, aimed at the general public.

III.2.1.1 This document discloses in a few pages what the organization is, its main achievements of the past year, all the funds it has collected, their sources and uses, in particular those raised from the public's generosity, and the main variances compared to previous years, if any, as well as major events that may have happened during the year.

The document summarizes:

- The organization:
 - Its purpose and values
 - Its social missions
- Its main achievements in the year under review and their beneficiaries.
- Its overall business model; it displays and explains:
 - The main items of the Statement of financial activity by origin and use, in particular:
 - resources by origin, a clear distinction being made between those raised from the public's generosity and others.
 - expenditure as allocated to the social missions, fundraising activities and to operations.
 - The main items in the yearly Statement of uses of resources raised from the public's generosity, of which:
 - the most significant resources, and how they are allocated.
 - expenditure and its allocation.
 - The valuation of contributions in kind.
 - A summary balance sheet, showing in particular restricted funds, the own funds balance and the year's outcome.
 - The reserves policy, their current level, and how they are to be managed with a pluriannual outlook.
 - The investment policy
- The financial, business or operational relationships with the main entities in France or abroad contributing

regularly and constantly to the organization's activities.

- For organizations which belong to a network including an international entity through which the social mission is carried out in part or totally, a mention of the share of resources that the organization controls directly and the share of resources transferred to that entity; also the latter's social mission. Information thus provided on the network's activities is displayed in a separate frame to avoid any confusion.

The organization may provide additional information if deemed relevant. It can also display typical ratios devised as per the applicable rule.

III.2.1.2 The organization discloses in L'Essentiel that it evaluates part of all of its activities and projects and, if deemed relevant, it discloses the results of the evaluations.

III.2.1.3 For complex organizations, L'Essentiel and financial communications more generally mention the scope of entities and changes in it, if any.

III.2.1.4 Financial data published in L'Essentiel originate in accounts that have been certified. The following wording must be included in L'Essentiel: "All the information in this document comes from the activity and financial reports [or the Annual report] of year "n" which are available on the organization's website [link] or by request."

III.2.1.5 L'Essentiel is easily accessed on the web and is sent to all donors with the first mailing (either by post or digital) to follow the approval of the accounts.

MODIF.

III.2.2 The organization publicly discloses in a dedicated document its rules of governance and processes in a clear, synthetic and educational manner. It describes how, according to its constitution, it is governed and managed. Among others, it explains how the members of the governing bodies are appointed to them and how those bodies operate.

III.2.2.1 If a complex organization, a description of the relationships between the leading entity's governing body and those of other entities in the group has to be disclosed.

if it belongs to an international network, a description of their respective assignments, of the relationship between the organization and its governing bodies and the international governing body, and in particular the decision, implementation and control processes of jointly agreed actions for beneficiaries, have to be disclosed.

III.2.2.2 This information is updated when its content changes. It is disclosed in a format that is left to the organization to decide. This information can be accessed on the entity's website and may constitute a dedicated feature of the Annual report or of any other document. The organization decides on the format of its communication.

III.2.3 The organization discloses to the public, as a minimum on its web site, the main measures taken by its governing body :

- to identify, prevent and manage conflicts of interest.
- To identify, anticipate and control the risks associated with its activities.

III.2.4 If the organization has decided to compensate its president or some members of the board, or to grant them benefits in kind related to their duties as such, it informs the public and donors in particular of the reasons for doing so. This is disclosed in a dedicated document on the organization's website and in an announcement in the earliest newsletter or fundraising appeal following the decision. All the compensation, employment and termination terms are identified clearly and summarily in the organization's annual reports for as long as that compensation is granted.

III.2.5 The organization makes available on its website:

- Its latest activity report.
- Its latest financial report, annual accounts and financial statements (statement of financial activity, balance sheet, appendixes including the statement of use of resources) as approved by the general meeting or the Board if a foundation (including the combined accounts, if any).
- Its constitution.

It also provides those reports by any appropriate means to anyone requesting them, and also its internal regulations, if any.

III.2.6 The annual financial report is made available to members of the organization and on demand to donors. It includes term investment policies and describes the scope and substance of management of reserves.

III.2.7 Donors' (or potential donors) queries and claims are processed by the organization as soon as possible. Claimants are informed when their demands cannot be met.



III.3 THE ORGANIZATION GIVES ITS MEMBERS ACCESS TO DEDICATED INFORMATION.

III.3.1 When an association, the organization makes available to members, either individually or at its head office, the following documents before the general meeting:

- The annual accounts as certified by the auditor.
- The annual financial statements and financial report of which the auditor will have affirmed the content to give a true and fair view and the information to be consistent with that in the annual accounts.
- The special report on related party transactions.

III.3.2 Are disclosed to the general meeting (or for foundations to the board):

- The aggregate gross annual salaries (and other compensation items) of the top three executives.
- The compensation which may, by exception, be granted to an elected board member.
- The nature and amount of the actual expenses reimbursed to board members and top salaried executives and the value of benefits in kind, if any.

GLOSSARY

MEANING OF TERMS AS USED IN THE DON EN CONFIANCE CODE OF CONDUCT.
WORDS IN *ITALICS* ARE DEFINED ELSEWHERE IN THE GLOSSARY.

A

ACCREDITATION

The decision by which the *Comité de la Charte du Don en confiance* recognizes that an *organization* satisfactorily complies with the principles of the *Charte du Don en confiance* and the requirements of its *Code of conduct*.

B

BENEFACTOR

Donor, of a donation or bequest, or the subscriber of a life insurance policy to the benefit of an *organization*.

BENEFICIARY

An individual or corporate entity towards whom the *organization's* activity is totally or partially directed.

BOARD

The collective body, elected by the *general meeting* in associations, which is in charge of managing the organization.

BOARD MEMBER

The member of the *Board* of an association, foundation or endowment fund.

BUSINESS MODEL

To describe both the financing processes and operating principles of an *organization's* activities, the main categories and relative weights of its funding sources and expenditure, among which that for the *social mission*, for *fundraising* and for operations as well as activities based on volunteering and other *gifts* in kind.

C

CHARTE DU DON EN CONFIANCE

The set of principles and requirements selected and adopted by the *Comité de la Charte du Don en confiance* to which the *organization* which raises funds from the public commits. The principles involve efficiency, benevolent management, honesty and transparency in the pursuit of its social mission with the aim of strengthening donors' confidence.

COMITÉ DE LA CHARTE DU DON EN CONFIANCE

An association, the purposes of which are to develop rules of conduct which together constitute the *Charte du Don en confiance*, to grant the Don en confiance label to candidate *organizations* with a *public benefit* purpose and which raise funds from the public and which voluntarily commit to abide by the principles of respect of *donors*, transparency, honesty and improved efficiency, and continuously and independently to monitor the observance of those requirements.

COMPLEX ORGANIZATION to mean:

- Unitary *organizations* (i.e. single legal entities) with several branches and/or sheltering endowment funds or foundations which are not stand-alone legal entities.
- Networked *organizations* such as unions or federations of associations, either bearing the same name or not, with identical, similar or complementary social purposes.
- *Organizations* including separate legal *entities* (associations, foundations, endowment funds, business *entities*, etc.), bearing or not the same name, with identical, similar or complementary social purposes.

CONFLICT OF INTEREST

A situation in which two interests, either potential or effective, or even obvious compete with each other, in particular the personal interest of an individual or corporate entity and the interest of the organization in which they are involved whatever their position either as an elected officer or not.

CONFORMITY

Fulfillment of a *requirement*.

CONTRACT

An agreement between consenting persons with the ability to enter commitments to create one or several legal obligations for a stated goal and in a lawful cause to either give, do or refrain from doing something.

CONVENTION

An agreement between two or more individuals or corporate *entities* to create legally binding relationships.

D

DEDICATED GIFT

A *gift* made by the *donor* for a specified project.

DON EN CONFIANCE CODE OF CONDUCT

This is made of the *organization's* pledge, the principles and *requirements* of the *Charte du Don en confiance*, the recommendations and the glossary.

DONATIONS

To designate bequests, substantial *gifts*, or the benefit of life-insurance contracts.

DONOR

An individual or corporate *entity* making a *gift* or who may intend to do so (actual or prospective donor).

DURABILITY

The lasting benefits of an activity after it has ended.

E

EFFECTIVENESS

The degree to which planned activities have been achieved.

EFFICIENCY

The degree to which outcomes match resources expended to achieve them (funds, expertise, time, etc.)

ELECTED OFFICER

An individual with a delegated scope of authority (mandate) as laid out in an *organization's* constitution.

ENTITY

Any structured body with legal standing, whether non-profit or not.

EVALUATION OF ACTIVITIES

A process implemented by an organization to measure criteria such as *relevance, effectiveness, efficiency, durability* or *impact* of an activity, etc.

EXECUTIVE

Any manager who has received a delegation of powers to lead a department or branch or who is a member of the organization's executive committee, or who is in charge of executing the decisions of the *Board*.

F

FINANCIAL MANAGEMENT

The policy of an organization to control, plan and optimize its use of assets (property and equipment) and cash (available funds).

G

GENERAL MEETING

The statutory gathering of *members* which elects *Board members*, evaluates and approves the management and operations of the *organization* as laid out in its constitution.

GIFT

Voluntary contribution of money, goods or services with no substantial counterpart.

GOVERNANCE

How an *organization* is controlled and managed, evidencing the relationship between elected bodies and executive bodies in charge of operations.

I

IMPACT

The direct or indirect, planned or unplanned, positive and negative outcomes of an activity.

INTEREST

Every individual entertains a variety of interests, be they in business, politics, union or non-profit activities as well as family and friendly ties. Those interests may be direct or indirect, i.e. involving the individual or one of their *relations*, or through entities owned by them. All of these constitute interests.

INTERNAL CONTROL

A set of structured processes initiated and monitored by the *organization's* governing bodies, implemented by all parties concerned (either staff members or *volunteers*...) in order to give the *organization* at all time reasonable assurance that its objectives are met with due respect to its values and *social mission* and that identified risks are on the whole being mitigated.

INTERNAL REGULATIONS

A document additional to the constitution but which can neither contradict or change it and which gives detail on how the organization's governing entities are set up and operate. As per the constitution, those regulations can be introduced or modified by a governing body other than the general meeting. Associations and foundations recognized as of public utility must have drawn internal regulations.

INVESTMENTS

An investment is the result of a financial decision to allocate funds – or capital – in order that they yield some income. Investment types are many and can be differentiated by their nature (financial, real estate), their length, their liquidity, their level of risk, their yield or their ethical nature.

L

LEADING ENTITY

The *entity* which applies for and manages the *accreditation* on behalf of all *entities* included in the *scope*.

M

MEMBER

An individual or corporate *entity* having applied voluntarily to join an association and been accepted as such, approving at all time the purpose of that *organization* and having agreed fully to its constitution and internal regulations. They are therefore personally entitled to take part in *general meetings*, in person or by a power of attorney, and to stand for election to the *Board* as prescribed by the constitution.

O

ORGANIZATION

The relationships, distribution of power and responsibilities among individuals. Also used by the *Comité de la Charte du Don en confiance* to refer to an *entity* or group of *entities*.

P

PROCEDURE

A specified way to perform an activity or process.

PUBLIC BENEFIT

A qualifier of an *organization* or of its activities based on criteria such as openness to all, democratic *governance*, governing bodies staffed by *volunteers*, benevolent management, no profit-seeking, transparency or such pointers as public authority financing, public authority recognition, participation in public debate and debating forums, activities in reference to public policies. Fields of activity are many.

PUBLIC FUNDRAISING

Solicitation by a nonprofit from a wide audience of households or firms to gather the means necessary to the conduct of an activity of *public benefit*.

R

RELATED PARTY TRANSACTION

A convention, either directly or through a third party, between an organization and one of its board members or executives or an entity in which a board member or an executive is an unlimited partner, a legal manager, a board member, a managing director or deputy managing director, a member of the executive committee or supervisory board, or a shareholder with more than 10% of the voting rights (refer to applicable article of the Code de commerce).

RELATIONS

Who should be included in an individual's relations should be defined by each organization according to its environment and activities.

RELEVANCE

The degree to which activities match the actual needs of *beneficiaries*, the organization's purpose, the expectations of stakeholders, etc.

REQUIREMENT

The behaviour expected from an *organization* raising funds from the public as formulated in the Code of conduct.

RESERVES

A component of an organization's net worth that is the result of surpluses from prior years. They arise from the decisions of statutory bodies to dedicate some part of own funds to the execution of its projects or to meet statutory or contractual obligations and ensure its future. It is necessary to distinguish between reserves that are freely available (for their allocation as decided by statutory bodies) and reserves that are unavailable (the short term or because their use has been planned in the medium or long term).

RESTRICTED GIFT

A *gift* which the *organization* has allocated to a specified use or project.

RISK ASSESSMENT

The identification, analysis and mitigation of internal and external risks associated with the activities and operations of an *organization*.

RULE

A prescription that an *organization* which has decided to conform to the *Don en confiance Code of conduct* must abide by to meet the principles and requirements of the *Charte du Don en confiance*.

S

SCOPE (OF ACCREDITATION)

The scope of the *accreditation* by the *Comité de la Charte du Don en confiance* includes *entities* which meet the following criteria:

- *Entities* which are included in combined financial statements.
- *Entities* which make use of the brand of the *leading entity*.
- *Entities* in which the *leading entity* holds majority voting rights in their governing bodies or which have entered into a formal relationship with the *leading entity*.
- *Entities* with substantial cash flows provided by or to the *leading entity* on a continuing basis for one of the parties.

SOCIAL MISSION

The purpose of an *organization* laid out in its constitution and implemented in its activities.

STAKEHOLDER

Any individual or corporate entity with an interest in the decisions or activities of an *organization* or likely to influence them or be influenced by them.

STATUTORY BODIES

Those bodies within an *organization* of which the scope and authority are set in the organization's constitution and to which it grants decision-making powers.

SUBSIDIARY

A corporate *entity* of which an organization holds 50% or more of its equity or enough voting rights at its *general meeting* to have it pass its decisions. More generally, any entity sharing in an *organization's social mission* and controlled by it or under its dependency.

T

TRACEABILITY

The ability to identify and piece together the history of an activity, a product lifecycle or a cash flow from its origination to its end.



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