

## Czech Donors Forum

### CODE OF ETHICS FOR FOUNDATIONS

We, the foundations associated within the Czech Donors Forum-Association of Foundations, have adopted the following code of ethics and undertake to abide by it and to regard it as binding in all our activities. We call on other foundations to adopt this code in the public interest.

Preamble:

**Philanthropy** consists of assistance in the form of financial support and material gifts as well as time and skills given freely and without the expectation of personal gain. Its aim is to benefit society as a whole. The tradition of giving donations and caring for others is fundamental to the quality of life. Foundations and foundation funds are an expression of organised philanthropy in the Czech Republic. These organisations, and others with the same aims (ie. providing assistance to those in need), must uphold clearly defined principles of ethical behaviour to ensure that philanthropy gains the trust and respect of the general public.

According to the Foundations and Foundation Funds Act (law no. 227/1997 Sb.), **Foundations** are organisations established to manage assets in order to achieve socially beneficial aims. Those aims include, in particular, the development of spiritual values, the protection of human rights and other humanitarian values, the protection of the environment, cultural monuments and traditions and the development of science, education, physical education and sport.

**Foundations** are conscious of the fact that their aim is to serve the whole of society. They fulfil that aim above all by administering financial resources for socially beneficial activities and by distributing the income from their endowments and other resources. Their approach to social issues is non-partisan.

**This document** summarises the basic ethical principles for the activities of foundations, some of which are covered by existing legislation, others of which go beyond the existing legal framework. The document also sets out standards for behaviour and relations with the public. By publishing this document, its signatories aim to make the principles it contains generally accepted.

In accordance with legislation, foundations undertake to:

- use their resources for the socially beneficial aims for which they were established
- uphold the principle of distributing grants to third parties
- keep their own administrative costs to a minimum
- manage the assets entrusted to them by their founders and donors so that they provide a permanent and, if possible, growing source of income
- publish their statutes and regulations on grants
- publish an annual report which includes a detailed financial statement as well as the size of significant donations received and an over view of their grantmaking
- keep their accounts correctly and to have their financial activities assessed by an independent auditor

Ethical principles extending beyond the requirements of the law:

Foundations undertake to implement the following points:

- Foundations will define their mission, aims and programmes clearly and make them publicly known.
- In accordance with their mission, statutes, aims and programmes foundations will:
  - a) ensure that their grantmakers granting is carried out according to clearly defined and previously published rules
  - b) ensure that the decision-making process in the grantmaking process takes place in a correct and objective way and that there is no conflict of interest among those taking part in the process of selecting the grantees and deciding on the size of the grants
  - c) take due care grants to enter into contracts which contain clear conditions for both parties
  - d) ensure that the use of the grants they have provided is monitored in accordance with the law and the relevant contracts
  - e) monitor and continually assess the results of their activity
- Foundations will ensure the probity of the members of their administrative and supervisory bodies
- Foundations will protect the intellectual value of projects submitted to them by applicants and ensure that none of the applicant 's ideas or any element of them are used to the benefit of another party without the author 's knowledge
- Foundations will ensure the protection of applicants ' personal data acquired in connection with applications for grants
- Foundations will publish information about their activities by regularly issuing reports on:
  - their mission, aims, programmes and activities during the past year
  - the rules for the issuing of grants and any modifications to them
  - their sources of income and the size of their income, including a list of gifts as required by law
  - the size of their operating costs
  - their total expenditure and its breakdown, including a list of grants
  - changes in their statutes or other important documents of public interest
  - members of their supervisory bodies
- Foundations will ensure that gifts received and grants given are properly documented
- Foundations will ensure that the use of contributions is properly monitored
- Foundations will ensure that the founder 's wishes are respected, in particular when their statutes are amended, when members of the supervisory board are selected and when decisions on foundation contributions are made
- Foundations will treat their founders and donors with due respect
- Foundations will respect the wishes expressed by their donors, providing they are in accordance with the law and the foundation 's statutes

- Donors will be informed about the use of any information about them in materials issued by the foundation
- Foundations will come to an agreement beforehand with their donors as to whether, and in what form, information about their donations is to be published in the annual report
- Foundations will administer their assets responsibly and strive to preserve them

## **CRITERIA FOR MEMBERSHIP OF THE CZECH DONORS FORUM – ASSOCIATION OF FOUNDATIONS**

### **PREAMBLE**

*The Czech Donors Forum – Association of Foundations is an organisation which provides services to its members and protects their common interests. The Association believes that it has a moral duty to play a role in nurturing the foundation sector.*

### **CRITERIA FOR MEMBERSHIP**

1. The foundation must be registered according to the Foundations and Foundation Fund Act (law no. 227/1997 Sb.).
2. The foundation must grant contributions totalling at least 250,000 CZK through an open public competition to at least five third parties every year.
3. The foundation must abide by the "Code of Ethics for Foundations" issued by the Czech Donors Forum – Association of Foundations.
4. The foundation must pay an annual membership fee. The fee for 1999 is 2000 CZK.

*The members of the Association have the right to elect and to be elected to the bodies of the Association (Executive Committee) and together constitute the General Meeting, which makes decisions about the Association 's internal affairs (changes in statutes, approval of organisational structure and changes to it, membership, the strategic plan, the budget, the appointment of the director). All members have the same rights and responsibilities as set out in the statutes of the Czech Donors Forum. Members are obligated to abide by the criteria of membership.*