

Toolkit

**Transparency and
accountability**
in philanthropy
and private social
investment



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1. Preface

(authored by WINGS)

The Worldwide Initiatives for Grantmaker Support – WINGS is the only global network that focuses on philanthropy support. It is a network of 90 grantmaker associations, philanthropy support organizations and emerging philanthropic initiatives in over 40 countries. WINGS mission is to strengthen, promote and provide leadership on the development of philanthropy and private social investment around the world.

WINGS provides opportunities for members and partners to come together to consider issues of mutual interest, share experiences, participate in joint problem solving, gain new ideas and information, and build relationships and ongoing connections. WINGS network has a wealth of knowledge and experience to share and one of the topics that is consistently part of the discussions is transparency and accountability. That is aligned with a general global trend across different sectors of society which emphasizes the need for and importance of transparency and accountability practices.

To support its members and build on their knowledge, WINGS carried out regional consultations on transparency and accountability for philanthropy. During 2012 and 2013, regional workshops were held in Cairo, Johannesburg, and Bogota, bringing together over 100 WINGS members and partners. This online resource is a result of these meetings. It is a living document and WINGS will endeavor to continue to document experiences, tools, and best practices as members continue to advance their practice and understanding of transparency and accountability for philanthropy.

2. Introduction

*Guiding questions:
Who is the toolkit for?
What is the aim of the toolkit?*

Over the past decade there has been increased emphasis on the critical need for greater accountability in philanthropy and private social investment, on the part of both donors and grantees. Today the importance of transparency and public disclosure of information about philanthropic giving is widely acknowledged. Nevertheless, building a culture and practice of transparency and accountability faces a range of obstacles.

If accountability presents a daunting task for organizations working within domestic national environments, it represents a much greater challenge in the case of cross-border giving. To address this issue, WINGS facilitated a global consultation with the aim of deepening the understanding and practice of international philanthropy transparency and accountability, as well as introducing voices and perspectives from the global South.

Philanthropy is generally based on values. But it also wields great power. Accountability is about keeping the power of philanthropy true to the value base of its origins. Simply put, it is a practice that ensures we are doing what we are supposed to be doing, that we are doing a reasonably good job of it, and that there is fairness in how we do it.

There are many different ways in which transparency and accountability are linked.

Here is one simple formula: Accountability = information (transparency) + participation (voice). Through informed engagement with others, we become accountable. So transparency leads to greater accountability.

Another way of understanding the link between transparency and accountability is that when we account for our actions, it necessarily leads to us sharing more information. So greater transparency comes about as a result of being accountable.

The point is that transparency and accountability are mutually reinforcing.

2.1 Objectives

This toolkit attempts to inform support organizations serving philanthropy on the essential elements of transparency and accountability for philanthropy and private social investment. Based on the input of WINGS members at various regional consultations and the review of literature on the topic, this toolkit provides the reader with information that guides best practice and offers practical information and a range of resources with which to work.

The objectives of the toolkit are threefold:

- 1 To increase awareness of the essential elements of transparency and accountability for philanthropy and private social investment.
- 2 To highlight key issues, concepts and practices identified through regional consultations.
- 3 To provide tools and resources for support organizations serving philanthropy to advance the discussion and practice of accountability with their members and/or clients.

2.2 How the toolkit was developed

In 2007, to address the issues surrounding international accountability practices, the European Foundation Centre and the Council on Foundations created a Joint Working Group that developed a set of Principles of Accountability for International Philanthropy. Five years later, following up on recommendations from the GPLI (Global Philanthropy Leadership Initiative), WINGS initiated a global consultation with the aim of deepening the understanding and practice of international philanthropy accountability.

WINGS members, partners and other philanthropic organizations shared their expertise and perceptions on the issue in three face-to-face regional meetings in Cairo, Johannesburg and Bogota. The meetings brought together more than 100 participants and produced valuable information on the obstacles to good practice, while also suggesting practical steps and recommendations.

The regional meetings offered a unique view on current practice and aspirations, and the experience is being used to expand the dialogue on transparency and accountability through this toolkit. Even though there are several stakeholders in this dialogue, the discussions were mostly focused on the role of associations and support organizations on the issue, and they are the main audience of this toolkit.

Three consultants – Barry Smith, John Harvey and Neville Gabriel – were engaged in the process to facilitate the meetings, systematize the learnings, and produce this on-line resource. A taskforce was created among WINGS members to evaluate and follow up on the work done as well as revise the toolkit. The members of this task force are: Atallah Kuttub (Saaned), Carolina Suarez (AFE – Association of Corporate and Family Foundations in Colombia), Michael Liffman (Asia-Pacific Centre for Social Investment and Philanthropy,

Swinburne University), Sevdalina Rukanova (European Foundation Center), and Tao Ze (China Foundation Center). This is an ongoing process, and results from future meetings and outcomes of WINGS members' work will be added to the toolkit. More information and notes from each meeting can be found on WINGS website.



3. Understanding transparency and accountability

Transparency and accountability are two of the most commonly heard words when philanthropy organizations and private social investors get together to discuss good practice. Too frequently, though, the words are used casually, without a real understanding of their meaning or a deep appreciation for the implications of the terms for philanthropic practice and private social investment. Let's take a closer look at these words to better understand their true meaning.

3.1 Accountability

Accountability means:

An obligation or voluntary willingness to accept responsibility for one's actions and to explain and justify those actions to others.

As this definition suggests, the practice of accountability can be both an *obligation* and a *voluntary willingness* to act a certain way.

- **Obligation** refers to something an organization **MUST** do because of enforceable rules and laws. Some of these might be internal to the organization, such as by-laws, while some might be external to the organization, such as government-enforced laws and regulations.
- **Voluntary willingness** refers to something that an organization is not legally obliged to undertake but which it voluntarily chooses to do. For example, a foundation may not be legally obligated to create a website or publish an annual report, but it may voluntarily choose to do so as a matter of good practice.

Furthermore, the term accountability implies that **ACTIONS** will be taken. To be accountable, one must act in two ways:

- First, one must accept responsibility for one's actions. Every action generates a reaction; even small steps can lead to big change – hopefully for the better. Whatever the outcome, to be accountable the individual or organization that brought about the change must accept responsibility for what has taken place and respond accordingly.
- Second, one must explain and justify those actions to others. This action – explaining and justifying one's actions – leads naturally to the indispensable partner of accountability, which is transparency.

3.2 Transparency

Transparency refers to the state of being transparent, which has several definitions:

- Characterized by visibility or accessibility of information, especially concerning organizational practices
- Readily understood
- Free from pretense or deceit

When thinking about transparency in the context of organizational practices, most people tend to think of the first definition of “transparency”, that of making information about an organization accessible. But the other definitions of “transparent” are just as important as the first. Such information must be easy to understand, and it must be honest and humble.

3.3 Input, outcome, strategy and value

There are different ways in which the practice of transparency and accountability is relevant for the philanthropic sector:

- **Transparency and accountability in inputs:** Here transparency and accountability are built into the design of programmes through practices such as participatory strategic planning to ensure the relevance and credibility of work that will be undertaken.
- **Transparency and accountability as an outcome:** Some foundations support work that seeks to strengthen social accountability by governments through greater access to public information and other means as an end in itself, as part of their work to improve governance.
- **Transparency and accountability as a strategy:** To achieve desired programme outcomes such as improved health services, social accountability activism, for example, may be used as a strategy to create social demand. Or a foundation may openly declare more information because it wants to influence the field by positioning itself in a particular way or build greater buy-in from others.
- **Transparency and accountability as a value:** This approach to transparency and accountability relates to the organizational identity and character of a foundation and what it stands for. Here, transparency and accountability are practiced as public goods.

3.4 Social accountability

Before leaving this discussion of definitions, let us turn to a particular kind of accountability, often discussed within the business, legal, and governmental sectors, which is especially important to philanthropy and private social investment. This is what is referred to as “social accountability”. Social accountability is defined as an approach toward building accountability that relies on civic engagement, in which ordinary citizens and/or civil society organizations participate in ensuring accountability of government, business, and other entities that impact people’s daily lives. By practicing social accountability, organizations put beneficiary communities at the top of their stakeholder hierarchy, helping to ensure accountability to the people that matter the most.

4. Why transparency and accountability matter

Transparency and accountability are, in and of themselves, very worthy goals. But there are many very tangible reasons why philanthropy and private social investment should practice transparency and accountability. For example, there is very strong evidence that transparency and accountability lead to greater effectiveness. Also, where philanthropy organizations and private social investors are respected and appreciated – qualities made possible by accountable and transparent practice – they are more able to operate without fear of negative public and media attention or unwarranted government scrutiny.

4.1 To whom is philanthropy and private social investment accountable?

The work of philanthropy organizations and private social investors involves a large number of stakeholders – people, organizations, and other entities that are involved in the operations of the philanthropic undertaking or that are in some way impacted by its activities – hopefully in a positive way. Some of these stakeholders are internal to an organization, while most are external.

Internal stakeholders include:

- The organization's founder(s)
- For private foundations, such as family foundations, the organization's donor(s)
- Board of Directors
- Staff
- Volunteers

External stakeholders include:

- For publicly supported foundations, such as community foundations, the organization's donors
- Grantees and other direct recipients of funding support
- Beneficiary communities
- Other organizations working within the same arena, including partner organizations
- The public at large
- Government
- The environment

While the inclusion of most of these stakeholders would seem obvious, there's one that perhaps needs a bit of explanation: the environment, meaning the ecosystem in which a given project or programme is located. The environment has historically been ignored as a stakeholder, but it is increasingly being recognized as a high priority. The socially responsible business community has long recognized the importance of valuing the environment as a stakeholder. Gradually, the philanthropic sector is coming to the recognition that the environmental impact of a given project must be taken into consideration when making a decision to fund or not. For some foundations, the valuing of the environment as a stakeholder also represents a commitment to future generations – those communities whose wellbeing will depend on a clean, healthy and productive ecosystem. The consideration of the environment as a stakeholder is especially important when it comes to pure “development” projects – a programme to expand a particular crop, for example, or to create a new source for the generation of energy. These kinds of projects will invariably have an impact on the local ecosystem, so it is essential that the philanthropy or social investor include the environment as a high priority stakeholder.

At their best, philanthropy organizations and private social investors try to be as accountable as possible to all of these stakeholders. However, it is simply impossible to be fully accountable to all stakeholders at all times. The fact is, different stakeholders have different interests and priorities. To be accountable to everyone in equal measure at all times would pull the organization in too many, often opposite, directions.

While it is important for a foundation or private social investor to maintain some degree of accountability to all of its stakeholders, it is necessary to prioritize. Just how stakeholders are prioritized – high, medium, or low – will depend on a range of factors. Some of the factors which a foundation or social investor should consider when prioritizing stakeholders include the following:

- **Values.** What values are most important to a philanthropic organization, and what is the relationship of these values to the various stakeholders? For example, if a foundation highly values community empowerment, it would naturally rank grantees and beneficiary communities as high priority stakeholders. If a foundation highly values the extent to which it is having a positive impact in a given geographic area, it would rank the public at large as a high priority stakeholder.
- **Strategy.** To what extent is a given stakeholder fundamental to a given strategy or theory of change? If a foundation's strategy involves the strengthening of social movements, key stakeholders must certainly include community-based organizations and the public at large. Where a funder's strategy includes public policy reform, relevant governmental bodies would become high priority stakeholders.
- **Impact.** To what extent does a given stakeholder have an impact on the success of a philanthropic undertaking? Clearly, when a foundation makes a grant to a given

nonprofit organization to carry out a project, that organization becomes a high priority stakeholder for the foundation. When a given programme's success is highly dependent upon collaboration with peer organizations, those organizations become high priority stakeholders.

- **Influence.** How much influence does a given stakeholder have on an organization? A living donor, for example, is likely to exercise greater influence on a foundation than a donor who has passed away. Likewise, a donor who is internal to an organization, such as at a family foundation, is likely to have greater influence than a donor who is external to the organization, such as an individual donor to a community foundation.
- **Demands.** How demanding is a given stakeholder? Certain stakeholders are simply more demanding than others when it comes to transparency and accountability: a certain important donor or regulatory agency, for example. Here, the prioritization of a given stakeholder is not necessarily because it's the right thing to do; it's because, for better or worse, it's a necessary thing to do.

The connection between stakeholders and accountability should now be clear: The higher the priority of the stakeholder, the higher degree of accountability a foundation or private social investor should strive for. Reflecting on these issues can help an organization make the right decisions on where to focus attention with regard to transparency and accountability.

4.2 Ten compelling reasons for transparency and accountability

Here are ten very compelling reasons why transparency and accountability are essential to philanthropy and private social investment:

4.2.1 Trust, Appreciation, and Respect

In many parts of the world, the philanthropy and private social investment sectors are not well understood. Especially where philanthropy organizations and private social investors are new and emerging, a large part of the population has little if any understanding of what these newer and more organized forms of philanthropy do and how they operate. This lack of understanding can lead to some unfortunate consequences:

- Suspicion and mistrust on the part of the public, government officials, the media, and others regarding the purpose and intentions of foundations, private social investors, and other philanthropic actors.
- Lack of appreciation for the value of philanthropy and private social investment and the positive role it can play in society.

For philanthropy and private social investment to meet their potential as an important partner in the struggle for a more just and equitable world – alongside good government, socially responsible business, healthy civil society, and engaged citizenry – it is essential that philanthropy organizations and private social investors engender trust, confidence, appreciation, and respect. Such values can only come about through accountable and transparent practice.

4.2.2 Public Support

As philanthropy and private social investment grow and have more impact and influence, a phenomenon we are witnessing around the world, scrutiny of the sector on the part of the public and the media has certainly increased. Especially with the proliferation of social media, it has become increasingly difficult for bad actors to remain invisible. This is especially true of community foundations and other place-based philanthropies, which are under particular and justifiable scrutiny by local community members. In this context, it is essential that foundations and other philanthropic actors be as accountable and transparent as possible, engaging local communities to the fullest extent possible and demonstrating the positive role they can play in society, winning allies and supporters from the public and media and avoiding harmful and unnecessary criticism.

4.2.3 Regulation

While in some parts of the world, civil society is warmly embraced and supported by governments, elsewhere there has been a trend towards clamping down on civil society, including philanthropy and private social investment, and limiting the enabling environment for them to operate. While there are no guarantees that government will fully embrace philanthropy, by practicing transparency and accountability and demonstrating that operations are legal and legitimate, philanthropy may help to ensure that regulations guiding the sector put in place by government are limited and reasonable.

4.2.4 Resource Mobilization

A large part of the growth of foundations in some countries has been in the form of community and other publicly supported foundations. Potential donors to these foundations, including private foundations, individual donors, and the business sector, often demand a high degree of transparency and accountability. The more public foundations practice these values, the better chance they will have of attracting funding.

4.2.5 Power Balance

Donors and private social investors, however well intended, wield great power, given that it is they who determine whether a project gets funded or not. With such power in hand, donors run the risk, intentionally or unintentionally, of manipulating grantees and of disrespecting and dehumanizing them. By engaging in accountable and transparent practice, donors can go a long way toward avoiding such dangers, bringing a higher degree of humility to their behaviors, enabling a more equitable balance of power in grantor/grantee relationships, and promoting a mutually supportive and respectful partnership.

4.2.6 Local Ownership

Time and time again it has been demonstrated that, without local ownership, development efforts will not succeed. Local ownership will only occur where the public is given the information it needs to understand an initiative and to be able to play a meaningful leadership role in bringing it about. For this knowledge to be gained and for community participation to be authentic, foundations and their grantee partners must be accountable and transparent.

4.2.7 Partnership

Philanthropy organizations and private social investors rely on other partner organizations to achieve their goals. For such partnerships to work, certain things are essential, including open communication and trust. Only through accountable and transparent practice can these essential qualities be maintained.

4.2.8 Leverage

Many philanthropy organizations and private social investors “under-sell” what they do, missing opportunities to build awareness of the positive contributions they are making to the world. Indeed, even within the foundation and private social investment community itself, there is often little knowledge of what others are doing. By openly declaring what is being done, philanthropy organizations and private social investors can leverage greater acceptance of their work and role, in turn encouraging more resources for the causes they are working on from other funders, increasing the potential for greater scale of impact.

4.2.9 Strategic Thinking

Without transparency and accountability – when efforts and their outcomes are kept hidden from view – it is impossible to know whether the efforts of philanthropy and private social investment are succeeding and having a positive impact. Indeed, organizations that are unaccountable are bound to make the same mistakes over and over again. Transparency and accountability generate more conceptual and strategic rigor within foundations. This in turn is likely to promote more learning, cultivate more innovation, and deliver greater effectiveness.

4.2.10 Shared Learning and Scale

Every day, foundations, private social investors and other players within the philanthropic sector are learning important lessons about what works and what doesn't. By practicing transparency and accountability, lessons learned can be more easily shared and disseminated, speeding up the pace of positive change – not just within a given geographic region but also across the globe, as lessons learned in, say, a village in Africa are disseminated and then put into practice in a town in Brazil or a city in France.

4.3 Debunking Myths about Transparency and Accountability*

*(*This section originally appeared as an article on the [Glasspockets Transparency Talk blog](#), [↗](#) and the examples mentioned were featured in the [GrantCraft Guide, Opening Up: Demystifying Funder Transparency](#). [↗](#))*

There are some common objections to calls for increased transparency and accountability that often act as barriers to their adoption. The list below is by no means complete, but is representative of the most common myths that prevent organizations from embracing greater openness.

Myth #1: Transparency takes too much time away from the real work of the foundation.

Reality: While transparency is part of a process that does require staff time and attention, one of the many benefits of transparency is that it actually creates efficiencies that are net time savers over the long haul. For example, the Open Estonia Foundation found that prior to posting detailed application guidelines on its web site, fully half of the applications it received were inappropriate. But since posting the guidelines in 2009, only about 10 percent of the applications it now receives are ineligible. Similar efficiencies can be found by grantmakers who are using social media to advance their work. Stephen Downs, chief technology and information officer at the Robert Wood Johnson Foundation, reminds his team members that if keeping on top of trends and interesting thinkers in their field is important, then there is no better or more efficient way to do that than to use social media. So, the bottom line is not that transparency takes too much time, but rather that communicating openly is simply part of doing an effective and efficient job as a grantmaker.

Myth #2: Internal reports should stay internal forever.

Reality: Foundations spend a lot of time and money producing knowledge that helps inform strategic directions, staff and board decisions, and guides the work of the foundation. Unfortunately, due mainly to a non-technological legacy, these valuable documents never see the light of day outside the foundation. However, as a result of the increasing awareness of the potential value of this data to others, along with the rapid pace of technology that can facilitate its sharing, there are more and more examples of foundations that are going beyond their usual comfort zone and making internal reports available to the public. In so doing, they've reported many benefits, including improved relationships with both peers and grantees and a realization that by sharing reports externally this knowledge finds a second (and in some cases a more valuable) life outside the foundation. One compelling example is from the Oak Foundation in Geneva, Switzerland, which had commissioned an internal report to review its work in the area of international human rights. Recognizing that there was much in the report that would help its peers, the foundation invited other international human rights funders to a meeting to discuss how the findings could be valuable to the field as a whole. The other funders reported finding the feedback incredibly helpful to their own work. By sharing an internal report that was originally meant to inform its own practices, the Oak Foundation was also able to contribute to larger field building and field accountability.

Myth #3: Since my foundation is in compliance with regional laws governing philanthropy, I can check transparency and accountability off of our foundation's "to-do" list.

Reality: Key parts of foundation transparency are timeliness and accessibility. Given that there can be significant time delays in accessing government information about foundations, if any even exist, regulatory documents are not the best method to foster transparency. For those unfamiliar with U.S. regulations, the 990-PF is the tax document that private foundations must file annually that becomes a matter of public record, and for the majority of U.S. foundations, this is the only resource that discloses their funding activity and other key aspects of their operations. Foundations that communicate beyond government requirements say that doing so improves public trust and external stakeholder relationships. James Canales, former CEO of the James Irvine Foundation, explains that the foundation does not rely on the 990-PF when it comes to sharing its executive compensation practices, because asking someone to sift through a 350-page report to find what they are looking for is not very transparent. European foundations are similarly making financial information easy to find. For example, Realdania, a funder in Copenhagen, Denmark, posts detailed information about its commercial and philanthropic investments. The Wellcome Trust makes similar details available. And the China Foundation Center has found its transparency index is a great tool for building understanding about the ecosystem of Chinese foundations.

Myth #4: Foundation transparency and accountability mainly benefit those outside the foundation world.

Reality: Often when grantmakers set out to increase their transparency and accountability practices, they primarily do so out of a duty to their grantees and other external stakeholders. Yet, once the new web site is up and running, or the searchable grants database is available, or the map visualizing their grants is posted, or the survey results are in, they become aware of the value increased transparency and accountability have for themselves. The reality here is that transparency and accountability improve the practice of philanthropy and serve to actually make life easier for those who must make informed philanthropic decisions as part of their day-to-day work. Otherwise, in the absence of regular feedback and a shared knowledge base, or shared evidence base, funding work becomes pure guesswork, which is ineffective.

The custom web portal that Foundation Center developed around funding for water access, sanitation, and hygiene – or "WASH" – serves as a good example. WASHfunders.org  was created because foundations working on these issues globally desired a means for sharing information. They realized they could not effectively accomplish what they wanted in the field of water access without knowing who all of the players were and what their experience had been. And so WASHfunders.org was born in 2011 and continues to be used by donors and others in their work on these issues, while also serving as a means for public transparency.

Myth #5: Our foundation will lose respect if we publicly discuss mistakes or flawed strategies.

Reality: Foundations, many of which are accustomed to operating in an "under-the-radar" way, often fear the risks they perceive as being associated with increased transparency and accountability, so they avoid the institutional vulnerability that may come with increased attention, particularly around mistakes or failure. A case study from the California Endowment's efforts to use its blog to own up to its mistakes is a refreshing example in a field that is much more comfortable either touting its successes or remaining silent. The Endowment's staff began regularly posting open letters online, in which they described past mistakes, including poor responsiveness to feedback from community residents, nonprofit partners, and elected officials. Despite initial misgivings around the risks of sharing mistakes and fears of being ridiculed on social media, foundations, like the California Endowment, happily discovered that being open results in others respecting their candor and holding them up as positive examples for the field.

*Janet Camarena,
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A service of Foundation Center

5. The toolkit:

Transparency and accountability in practice

5.1 Introduction

There is no single formula for becoming an accountable and transparent philanthropy organization or private social investor, because no two organizations are exactly the same. The forms they take, the missions they seek to achieve, the political and legal environments in which they operate, the communities they serve – these and other factors give each foundation or private social investor a unique identity. Where transparency and accountability are concerned, then, each foundation or private social investor must forge its own unique path, choosing a menu of practices that best serve its unique identity.

By no means is WINGS the first philanthropic support organization to explore the issues of transparency and accountability. In fact, several WINGS members, including the East Africa Grantmakers Association, the Group of Institutes and Foundations in Brazil (GIFE), the European Foundation Centre, the Council on Foundations, and AFE, the Association

of Corporate and Family Foundations in Colombia, have worked on these issues, developing recommendations for their members on accountable and transparent practice. Additionally, civil society organizations from outside of philanthropy as well as the socially responsible business sector have also focused on these issues, developing recommended practices and protocols for their particular constituencies.

As part of our exploration of transparency and accountability, which has engaged members in Latin America, Africa, the Middle East and elsewhere, WINGS has reviewed the literature and other resources available on transparency and accountability and gathered the best thinking on transparency and accountability in 21st century philanthropy and private social investment. Based on this work and on the input from the consultations with member organizations, WINGS proposes the following standards of transparency and accountability in philanthropic and private social investment practice.

5.2 Six standards of transparency and accountability in philanthropy and private social investment

- 1 Clarity and alignment of mission and programmes
- 2 Commitment to grantees and the communities they serve
- 3 Sector engagement and collaboration
- 4 Open communication
- 5 Compliance with laws and regulations
- 6 Internal practices that foster accountable action

Standard #1: Clarity and alignment of mission and programmes



Stakeholders who are especially targeted by this standard

- Founders
- Donors
- The public at large

S1.1 What this means

An organization's mission could be thought of as its heart, while its programmes could be thought of as its muscle. When that heart is not working properly – when a mission statement is weak or unclear – it can be difficult to achieve meaningful impact. Equally problematic is when the heart and the muscles are not functioning well together – in other words when there is misalignment between a declared mission and the actual programmes intended to carry that mission out. This often comes about through “mission drift”. With so many challenges to address, organizations can be pulled in many different strategic directions, the result being scattered programming only loosely linked to the organization's core mission. This situation makes it very difficult for an organization to achieve the mission its founders first intended.

S1.2 Why this standard is important to transparency and accountability

When an individual establishes a foundation or other philanthropic organization with a particular mission in mind, that person becomes the organization's first and most fundamental stakeholder. So long as the organization exists, an organization must retain some degree of accountability to that founder and to her or his original vision. Donors are also key stakeholders in this regard: they provide financial support to an organization based on its mission, and they expect that programmes will align with and directly advance that mission. The public at large is also a key stakeholder when it comes to

mission and programmatic alignment, given that charitable organizations are established to advance the public good. By developing a very clear mission and by strongly aligning programmes with that mission, organizations help to ensure accountability to founders, donors and the public at large.

S1.3 Steps for achieving this standard

- 1 Review your organization's mission statement to make sure it is clear and strong.
- 2 Review your strategies and programmes in light of your mission, making sure there is very clear alignment between and among the different parts.

S1.4 Resources and tools to achieve this standard

The following links offer advice on crafting a strong mission statement:

-  [Foundation Center](#) 
-  [Nonprofit Hub](#) 
-  [Idealist](#) 
-  [Wiki How](#) 

The tool below helps organizations:

- 1 Start with a clear understanding of the mission of your organization.
- 2 List the major projects and programmes to be reviewed in relation to the mission.
- 3 Identify the goals of each of the projects and programmes under review.
- 4 Identify what the expected outcomes of each project or programme are.
- 5 Describe if and how the goals and expected outcomes of each project or programme are linked to the mission of your organization.
- 6 Analyze the strength of the links to the mission: Very strong; Strong; Weak. The stronger the linkages overall, the closer the organization has come to meeting the accountability standard of ensuring clarity and alignment of mission and programmes.

TOOL: Linking project and programme plans to mission

Source: Adapted from Commonwealth Foundation's Civil Society Accountability: Principles and Practice; A toolkit for civil society organizations in South Africa (2013)

Name of Project/ Programme	Goals	Expected Outcomes	How do the aims and expected outcomes of this project/ programme link to the mission of the organization?	How strongly linked are the goals and expected outcomes to the mission of the organization? Very strong / Strong / Weak

Standard #2: Commitment to grantees and the communities they serve



Stakeholders who are especially well served by this standard

- Grantees and other direct recipients of funding support
- Beneficiary communities

S2.1 What this means

“Nothing About Us Without Us” is a slogan that dates back to at least the 16th century in Eastern Europe, but its use became current again when it was adopted by the global disability rights movement in the 1990’s. The phrase brilliantly encapsulates the obligation that philanthropy and private social investment have to maximize engagement with grantees and other direct recipients of funding support and to the communities that are served by the work.

S2.2 Why this standard is important to transparency and accountability

If there are any stakeholders that unquestionably belong at the top of a foundation or social investor’s stakeholder priority list, it would certainly be grantees and beneficiary communities. Philanthropy’s raison d’être is to advance the common good, a noble goal indeed. Yet the good intentions of philanthropy organizations and private social investors are never enough: when a project being funded has the potential to change the lives of other people – for better or for worse – accountability to those people is simply and utterly fundamental. Indeed, without the support of these stakeholders, philanthropy lacks any claim to legitimacy. Inasmuch as philanthropy organizations and private social investors rely on civil society organizations to help them achieve their goals, grantees and other direct recipients of funding support also become fundamental and indispensable stakeholders.

S2.3 Steps for achieving this standard

- 1 Develop a board-approved strategy document that outlines specific policies and procedures related to accountability to grantees and the communities they serve, comprising (in whole or in part) the recommendations which follow.
 - a Learning and reflection events involving beneficiary community members.
 - b Learning and reflection events involving grantees.
 - c Advisory committees comprising grantees.
 - d Including grantees and/or community members on your board.
 - e Evaluation of your organization from the perspective of grantees.
- 2 Consider the ways in which grantees and the communities they serve might be directly involved in decision-making, strategy development, evaluation and other important activities at your organization. Explore the following as possible options:
 - a Learning and reflection events involving beneficiary community members.
 - b Learning and reflection events involving grantees.
 - c Advisory committees comprising grantees.
 - d Including grantees and/or community members on your board.
 - e Evaluation of your organization from the perspective of grantees.
- 3 Establish clear and easy-to-follow application processes that are designed with a full understanding of the capacities of grantees (with regard to technology, language, and other considerations). Pay special attention to the accessibility requirements of people with disabilities. Make clear and transparent how funding decisions are made.
- 4 Engage in regular site visits with grantees. Commit to making these mutually beneficial exchanges with regard to learning, capacity-building and trust.
- 5 With regard to evaluation, develop mutually acceptable and beneficial indicators of progress and success with grantees.
- 6 Consider making general support grants whenever possible, empowering grantees to deploy funding as they see most strategic.
- 7 Recognize that progress and change often take time and commit to the long-term. Consider making multi-year grants. Be careful not to abandon efforts before they have borne fruit. When negative outcomes take place, reinvest in ways to fix them. Develop systematic exit strategies when ceasing funding to a given grantee or programme area.
- 8 Build the capacity of all staff and board members to effectively and authentically engage with grantees and the communities they serve. When hiring new staff and bringing on new board members, make sure they understand and are committed to a high degree of authentic grantee and community engagement.
- 9 Budget for this engagement, committing to a generous resourcing to this issue.

S2.4 Case

The **Other Foundation** [↗](#) is an African trust that works to advance the rights and well-being of lesbian, gay, bisexual, transgender, and intersex people in southern Africa. The Foundation wanted its first grant making initiative to be a truly transparent and participatory process. Rather than consider grant proposals entirely on its own, the foundation's board asked the public to nominate a panel of peer reviewers to help review and assess grant applications. The 12 peer reviewers chosen formed a diverse group from six countries in southern Africa. They worked in four teams, each facilitated by a board member, to decide which projects to recommend for funding. For more information on the peer reviewers **visit the Other Foundation's website.** [↗](#)

S2.5 Resources and tools to achieve this standard

The following resources specifically relate to the **engagement of grantees and the communities they serve:**

- **“The Guide to Effective Participation”** [↗](#) offers a range of ideas and resources on the theme of authentic stakeholder engagement. See especially the **Framework for Participation.** [↗](#)
- GrantCraft’s **“Learning Together: Collaborative Inquiry among Grantmakers and Grantees”** [↗](#)
- GrantCraft’s **“Participatory Action Research: Involving ‘All the Players’ in Evaluation and Change”** [↗](#)
- Oxfam Great Britain’s **“Accountability starter pack”** [↗](#)
- SAANED’s **Report on Transparency and Accountability: Guide to Analyzing Philanthropy Organizations** [↗](#)
- Examples of foundations that strongly engage grantees and the communities they serve in their work include **Global Greengrants Fund,** [↗](#) **Urgent Action Fund for Women’s Human Rights,** [↗](#) and **Dalia Association.** [↗](#)

The following resources make the case for general support grants

- **“Making the Case for General Operating Support”**, [↗](#) by Mary Mountcastle
- Grantmakers for Effective Organizations offers a **range of resources on the topic of general operating support,** [↗](#) including an Action Guide.

The following resource explores funder exit strategies:

- GrantCraft’s **“The Effective Exit: Managing the End of a Funding Relationship”** [↗](#)

Standard #3: Sector engagement and collaboration



Stakeholders who are especially well served by this standard

- Other organizations working within the same arena, including partner organizations
- Grantees and other direct recipients of funding support
- Beneficiary communities
- Staff

S3.1 What this means

As global philanthropy evolved over the past several decades, an increasing number of philanthropy organizations and private social investors have come to recognize that they will never be able to accomplish their mission by working alone or in isolation. The kinds of issues that many philanthropy organizations and private social investors take – climate change, natural resource preservation, and job creation, just to name a few – are simply too complex for one organization to manage. No single organization possesses all the assets needed to succeed. To be truly successful, then, sector engagement and collaboration become essential.

S3.2 Why this standard is important to transparency and accountability

Not only do engagement and collaboration help to foster greater impact, they also provide an important means for philanthropy organizations and private social investors to remain accountable to some key stakeholders. Rarely is it the case that a foundation or private social investor is alone on working on a particular issue. As such, some degree of accountability to other organizations working in the same arena is warranted, especially when those

organizations become formal partners. Grantees and other direct recipients of funding support, along with beneficiary communities, also benefit when their supporters collaborate, better to avoid duplication of efforts, redundancies, or the working at cross-purposes. Where there are trust and open communication and where colleagues are not afraid to challenge one another, staff become more accountable all around when they engage with peers from the sector.

S3.3 Steps for achieving this standard

- 1 Actively monitor the field in which you operate. Map out all the players working on relevant issues in your area, including other philanthropy organizations and private social investors, NGOs, and governmental entities. Use this information in your planning and strategy development and to consider where and with whom collaboration would be most productive.
- 2 Establish new or take part in existing collaboratives, co-funding partnerships and related initiatives that pool resources from multiple organizations to achieve a common purpose. Consider working not just with other funders but also with business and government.

- 3 Join and actively participate in at least one philanthropic association, seeking opportunities to learn from others and to collaborate. Look especially at your national philanthropic association(s) but also consider others, including regional and international philanthropic associations as well as funder affinity groups (national, regional, and/or international).
- 4 Stay abreast of what is taking place in the philanthropic sector, nationally, regionally and internationally, by subscribing to and reading relevant on-line and print newsletters and other publications.
- 5 Share with colleagues and peers ample information on your organization, especially successes and failures, and lessons learned. Set up a “knowledge center” on your website to allow easy access to these documents.
- 6 Be sure to allocate adequate financial resources as well as time for sector engagement and collaboration.

S3.4 Resources and tools to achieve this standard

Resources on monitoring and mapping the field:

- For a general guide to monitoring and mapping a field, see GrantCraft’s **“Scanning the Landscape 2.0: Finding Out What’s Going on in Your Field”** [↗](#)
- The following organizations monitor and map information on funding to specific issues:
 - **Philanthropy In/Sight Human Rights**, [↗](#) produced by Ariadne and the International Human Rights Funders Group, tracks funding for human rights by foundations from around the world
 - The Henry J. Kaiser Family Foundation has documented funding trends on a range of global health issues, including **malaria, HIV/AIDS, and TB** [↗](#).
 - Funders Concerned about AIDS tracks funding for **global HIV/AIDS**. [↗](#)
 - AWID has produced a range of documents tracking funding to **women’s rights** [↗](#)
 - Environmental Grantmakers Association tracks **funding by US foundations to environmental issues**; [↗](#) the European Environmental Funders Group tracks **funding by European foundations to environmental issues**; [↗](#) the Environmental Funders Network focuses on **environmental funding in the UK**. [↗](#)

Resources on funder collaboration:

- Grantmakers for Effective Organization’ **“Where Can We Go to Dig Deeper on Collaboration”** [↗](#) features an extensive list of resources on collaboration
- Grantmakers for Effective Organizations’ **“Strategic Co-Funding: An Approach for Expanded Impact”** [↗](#)
- GrantCraft’s **“Funder Collaboratives: Why and How Funders Work Together”** [↗](#)
- GrantCraft’s **“Working with Government: Guidance for Grantmakers”** [↗](#)
- GrantCraft’s **“Foundations in Europe Working Together”** [↗](#)
- GrantCraft’s **“Working with the Business Sector: Pursuing Public Good with Private Partners”** [↗](#)
- The European Foundation Centre’s **“Multiplying Impact through Philanthropic Collaboration”** [↗](#)
- **“Building on Strengths: The Dynamics of Partnerships Between Multilaterals and Public Benefit Foundations”**, [↗](#) by Kathleen Cravero

For ideas on potential philanthropic support organizations to join and be active within, see

- **WINGS’s Network Map**. [↗](#)

Among respected publications covering global philanthropy are the following:

- **Alliance magazine** [↗](#)

Examples of online “knowledge centers” can be found on the websites of the following foundations:

- **William and Flora Hewlett Foundation** [↗](#)
- **David and Lucille Packard Foundation** [↗](#)
- **TrustAfrica** [↗](#)
- **African Women’s Development Fund** [↗](#)
- **Oak Foundation** [↗](#)

Standard #4: Open communication



Stakeholders who are especially well served by this standard

- The public at large
- Grantees and other recipients of funding support
- Beneficiary communities
- Other organizations working within the same arena
- Donors
- Government

S4.1 What this means

Looking around the globe, it is quite evident that, as a sector, philanthropy does not always practice open communication – that is to say, being transparent about why a philanthropic organization exists, what activities it is undertaking and on whose behalf. Philanthropy organizations and private social investors seem to prefer to keep a low public profile; for example, according to the Foundation Center, as of 2015 only about 18% of foundations in the United States have their own website. Meanwhile, citizens around the world are increasingly calling for higher degrees of transparency from entities that impact their daily lives, especially with regard to the government but also from the business sector and from the nonprofit community. The time has come for philanthropy organizations and private social investors to elevate transparency to a much higher level of importance and commitment than has historically been the case.

S4.2 Why this standard is important to transparency and accountability

Open, clear and accessible communication is fundamental to a philanthropic organization's legitimacy and success. Only through sharing information on an organization's mission, operations and achievements will the public at large come to trust in that organization and put its support behind it. Only through openly communicated grantmaking procedures will grantees know how to relate to a foundation or private social investor. Philanthropy organizations and private social

investors have a very fundamental obligation to beneficiary communities to openly and honestly share information on their activities, successes and failures. Other organizations working on similar issues benefit greatly from learning about the activities of their peers. Donors rightly expect a very high degree of transparency when it comes to how their funding has been spent. And while there are no guarantees that government will fully embrace philanthropy, by practicing transparency and accountability and demonstrating that operations are legal and legitimate, philanthropy may help to ensure that regulations guiding the sector put in place by government are limited and reasonable.

S4.3 An important caution on transparency!

In practical terms, transparency is about being open and honest regarding important aspects of the organization and its work. This does not mean that, to be transparent, an organization must or should reveal EVERYTHING about itself. There are situations in which too much information is a bad thing. For example:

- Some foundations work on sensitive issues such as human rights, domestic violence, and other topics. Such organizations must think carefully about what information they make public, ensuring that the information they make public not put any individuals or organizations in harm's way.
- There are particular problems with building transparency and accountability in societies divided by violent conflicts or suffering under state oppression. In such circumstances,

the safety, security, and confidentiality of organizations and individuals must be respected. Full public disclosure in such conditions may not be feasible or advisable, but transparency should always be considered a priority.

- If too much information is provided, it can be difficult to sift through it all to find what is most important and relevant. The goal should be to provide information that is timely and relevant, in a volume that is adequate for stakeholders to remain reasonably informed, presented in a manner that is easy to navigate and understand.
- Some donors, for reasons of personal safety, religious belief, or other factors, prefer to remain anonymous.

S4.4 Steps for achieving this standard

- 1 Create and implement a transparency policy, guiding what information will be shared outside the organization, to whom and how. Strive to maximize transparency while paying careful consideration to privacy, safety and related concerns (see the cautions noted above).
- 2 Establish a website that provides comprehensive information on your organization.
- 3 Publish and actively distribute an annual report.
- 4 Produce and make readily available to potential grantees a print version of grant guidelines.
- 5 Convene periodic events open to the public.
- 6 Have annual information audited by an outside financial expert.

TOOL: A Transparency Checklist for philanthropy organizations and private social investors

S4.5 Resources and tools to achieve this standard

The following links provide resources on transparency:

The Foundation Center’s Glass Pockets [↗](#)

GrantCraft [↗](#)

- 1 Internal Policies and Procedures that Foster Transparency
 - Does your organization have the following in place?
 - a A written and board-approved transparency policy
 - b Whistleblower protection and procedures
 - c A Conflict of interest policy
 - d Annual financial information that is audited by an outside financial expert
- 2 Information to be shared publically

The following table presents information that a foundation or private social investor should make publically available to achieve a high standard of accountability. Where there may be concerns with revealing this information (see “An important caution on transparency!” on the WINGS website), a word of caution is indicated.

Source: Adapted from the Foundation Center’s Glass Pockets resource, “Who has Glass Pockets?” Indicators

Category	Item	Where	Caution
Basic information	General contact information	Website, annual report, brochure	
	Mission	Website, annual report, brochure	
Governance	Board of Directors list	Website, annual report	
	Bylaws	Website	
	Committee charters	Website	
	Code of conduct policies	Website	
Human resources	Conflict of interest policy	Website	
	Staff list	Website, annual report	
	Staff biographies	Website	
Financial information	Whistleblower procedures	Website	
	Audited financial information	Website, annual report	
	Investment policies	Website, annual report	
Grantmaking information	Major donors	Website, annual report	XXX
	Strategies, priorities, and activities	Website, annual report, brochure	
	Application process	Website, brochure	
	Grantees	Website, annual report	XXX
Performance measurement	Collaborative partners	Website, annual report	
	Performance assessments	Website, annual report	
	Confidential grantee feedback mechanisms	Website	
	Confidential grantee surveys	Website	

Standard #5: Compliance with local and national laws



Stakeholders who are especially well served by this standard

- Government
- The environment
- Founders
- Donors

S5.1 What this means

There is one stakeholder that philanthropy organizations and private social investors need to pay special attention to: the government. To maintain operations, a philanthropy or private social investor must try to operate in compliance with local laws and regulations. Unfortunately, this is not always easy to do. Laws and regulations can be complex and difficult to comply with, while in a number of countries the environment for foundations and other non-profits can be very hostile. Still, philanthropy organizations and private social investors need to stay abreast of laws and regulations and comply as necessary; otherwise, they will risk being shut down.

S5.2 Why this standard is important to transparency and accountability

The ability of a charitable organization to do its work often depends upon its accountability to government, this accountability being expressed through compliance with relevant laws and regulations. Where environmental laws are strong, compliance with them acknowledges the environment as a stakeholder. When a foundation ignores the law, it risks being shut down; by complying with laws and regulations, foundations demonstrate accountability to their founders and donors, who have invested in the creation and continued operation of the organization.

S5.3 Steps for achieving this standard

- 1 Locate or compile a list of the laws and regulations governing your organization in your country and other relevant jurisdictions. With this information, create a checklist of compliance issues to be considered.
- 2 Using the compliance list, review the operations, policies and procedures of your organization against these laws and regulations. Where there is misalignment or non-compliance, make revisions as necessary.
- 3 Because laws and regulations are seldom permanent, find ways to stay abreast of changes that take place and periodically review organizational policies and procedures against all changes.

S5.4 Resources and tools to achieve this standard

WINGS members: [↗](#) Many WINGS member organizations are expert in the laws that govern philanthropic activity in their country or region and can provide best practice guidance on compliance.

DAFNE's "**country portraits**" [↗](#) and The Council on Foundation's "**Country Notes**", [↗](#) produced by the International Center for Not-for Profit Law, includes useful information on non-profit codes and laws in a number of countries.

The Arab Foundations Forum (AFF) in collaboration with SAANED for Philanthropy Advisory and the International Center for Not-for-Profit Law (ICNL) conducted a consultative process leading to the **Model Arab Foundations Law** [↗](#)

The **International Center for Not-for-Profit Law** [↗](#) and its sister organizations the **European Center for Not-for-Profit Law** [↗](#) and the **Bulgarian Center for Not-for-Profit Law** [↗](#) work to promote the legal framework for philanthropy and offer extensive research and other information on their websites.

Standard #6: Internal organizational practices and culture that foster accountable and transparent action among all staff and board members



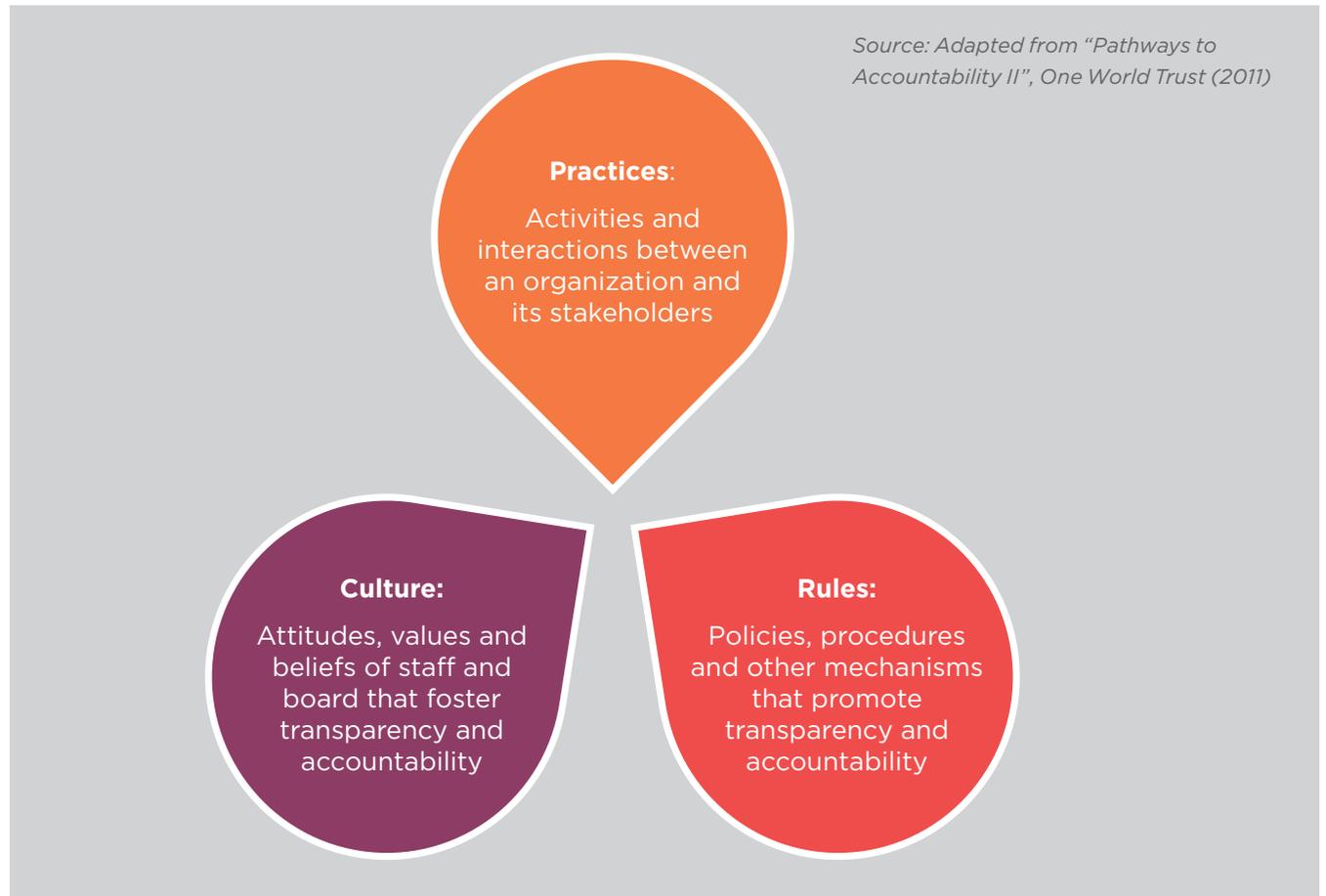
Stakeholders who are especially well served by this standard:

- Staff
- Board of Directors
- Volunteers
- Grantees and other direct recipients of funding support

S6.1 What this means

Stated values, stated aspirations, stated commitments – these are important to advancing transparency and accountability, but they are by no means sufficient. To truly put transparency and accountability into practice much more is needed. Three factors interact to support or hinder accountable and transparent action across an organization. (see diagram)

In order for the values of accountability and transparency to be fully realized, it becomes necessary to put in place – and enforce – organizational policies, practices, and procedures that actively promote and bolster transparency and accountability. What’s more, an organization’s culture – the attitudes and behaviors of employees and board members – is also fundamental to achieving this standard.



S6.2 Why this standard is important to transparency and accountability

Transparency and accountability are not easy values to practice authentically, with so many obstacles that can get in the way. They take time and financial resources, very precious assets at any organization. They demand honest feedback, something that many people fear to give and receive. The more an organization can institutionalize transparency and accountability through tangible mechanisms, policies and procedures, the easier it becomes for staff, board and other volunteers to practice these norms. With a mechanism like a whistleblower policy in place, for example, it becomes possible for a staff or board member to safely expose misdeeds. In a sense, these mechanisms help ensure that an organization is held accountable to its commitment to accountability.

S6.3 Steps for achieving this standard

- 1 Build an organizational culture that values transparency and accountability.
- 2 Embed the values of transparency and accountability in all relevant organizational statements and documents (e.g. mission, vision and values; employee handbook; board handbook).
- 3 Create and formally adopt a board-approved policy document covering transparency and accountability. This document should include a mechanism for monitoring and evaluating adherence to these values.
- 4 Put in place specific policies that help to support accountable and transparent action, including a whistleblower policy, a conflict of interest policy, and a code of conduct.
- 5 When hiring new staff, include a commitment to transparency and accountability as an essential qualification.
- 6 Train all staff, board members and volunteers on transparency and accountability and make these values part of performance assessment.

S6.4 Resources and tools to achieve this standard

One World Trust's "Pathways to Accountability II"  includes a template for tracking an organization's commitment to accountability. This document could be customized to meet a given foundation or social investor's particular circumstances.

Tool: Sample Whistleblower Policy

General

The [INSERT NAME OF ORGANIZATION] (“Organization”) Code of Ethics and Conduct (“Code”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

Reporting Violations

The Code addresses the Organization’s open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with someone in the Human Resources Department or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Organization’s Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Organization’s open door policy, individuals should contact the Organization’s Compliance Officer directly.

Compliance Officer

The Organization’s Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the Executive Director and/or the audit committee. The Compliance Officer has direct access to the audit committee of the board of directors and is required to report to the audit committee at least annually on compliance activity. The Organization’s Compliance Officer is the chair of the audit committee.

Accounting and Auditing Matters

The audit committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the audit committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Tool: Sample language related to transparency and accountability for inclusion in an employee handbook

Open Communication

[NAME OF ORGANIZATION] encourages an open environment in which all employees can express themselves, be treated with respect and dignity, and where issues raised are responded to in an appropriate, transparent and timely manner. We believe that open communication produces a richer and more productive workplace, enhances the quality of decisions, and ultimately improves the quality and value of the work we do in the world. It is assumed that all employees will use open communication to solve routine problems and conflicts that may arise.

Reporting Suspected Fraud

[NAME OF ORGANIZATION] does not tolerate fraud, and employees have both the right and a responsibility to report any suspected fraudulent activity or other improprieties. Employees have several avenues to report incidents or activity and may do so anonymously. Most circumstances may be reported to the Executive Director, the Board Treasurer or the Board Chair. All reports will be acknowledged and investigated in a timely manner. All reported activity and the outcome of the investigations will be reported to the Finance Committee of the Board of Directors. The reporting employee shall not be subject to retaliation in any manner (see Whistle-Blower Protection policy).

Whistle-Blower Protection

[NAME OF ORGANIZATION] encourages all employees to report any information that gives them reasonable cause to believe that an employee is engaged in activity that is in violation of any statute, noncompliant with a rule or regulation, or poses a threat to employee health or safety due to unsafe working conditions or work practices. Such information will be handled confidentially and may be reported anonymously. [NAME OF ORGANIZATION] will promptly investigate and take appropriate corrective action if necessary. [NAME OF ORGANIZATION] assures that any employee who in good faith discloses such information to a government or law enforcement agency will not be retaliated against or punished in any manner (including firing, demotion, suspension, harassment, failure to consider for promotion, or any other kind of discrimination). There will not be any form of retaliation if an employee refuses to participate in an activity that would result in violation of a statute, or a violation nor non-compliance with a rule or regulation.

Conflict of Interest

There must never be even the appearance of a potential conflict of interest in the selection and use of vendors, subcontractors, grantees, and other organizations and individuals with which [NAME OF ORGANIZATION] deals. Whenever a conflict of interest, whether real or perceived, exists the employee is required to immediately notify her/his supervisor of such a conflict and take steps to remove her/himself from any processes or procedures that may be construed as a conflict. The decision to work with a particular

business, vendor, grantee or other organization or individual must be based on the quality and standard of work, appropriateness of a particular project or event, past experience, as well as financial considerations.

Grievances

Grievances allow the employee an opportunity to formally notify the organization of situations and conflicts that s/he believes to be unjust or in violation of [NAME OF ORGANIZATION] policy, and which may damage her/his ability to perform or her/his professional development and reputation. A formal grievance is a significant event in the career of the employee and impacts the development of an organization.

Informal Resolution

[NAME OF ORGANIZATION] urges each employee to make every effort to informally resolve conflict between concerned parties. When the employee comes to believe all good faith efforts to informally resolve conflicts have failed, s/he may utilize the formal grievance process.

Written Notification

When the employee believes s/he has been treated unjustly with respect to performance reviews, probation, termination, or application of any other policy, and has not been able to resolve the issue with the Executive Director s/he may appeal the action in writing, within 5 days of the occurrence, to the Board Chairperson. The Board of Directors is the final decision

maker within the organization on all personnel actions. In the case of the Executive Director, s/he may appeal any action to the Board of Directors. Upon receipt of a grievance, the Board Chairperson will consult with the full Board to investigate and respond to the grievance. The Board Chairperson will respond to the grievance in writing in an expeditious manner. The decision of the Board is final.

Unlawful Harassment

[NAME OF ORGANIZATION] is committed to providing a work environment free of unlawful harassment. [NAME OF ORGANIZATION] policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religion, creed, color, gender or gender identity, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by federal, state, local law, ordinance or regulation. All such harassment is unlawful. [NAME OF ORGANIZATION's] anti-harassment policy applies to all persons involved in the operation of the organization (including employees, vendors, contractors, clients, and members) and prohibits unlawful harassment by any employee of [NAME OF ORGANIZATION]. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations, or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, computer screens, photography, cartoons, drawings, or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement or interfering with work because of sex, race, or any other protected basis;

- Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss, and offers of employment benefits in return for sexual favors; and
- Retaliation for reporting or threatening to report harassment.

Sexual Harassment Defined

Sexual harassment applies to both sexes and regardless of whether the harassment has occurred to a member of the same sex. Sexual harassment is defined as “unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature.” It includes:

- Verbal harassment, such as epithets, derogatory comments, or slurs;
- Physical harassment, such as assault or physical interference with movement or work; and
- Visual harassment, such as derogatory cartoons, drawings, or posters.

Quid Pro Quo

“Quid pro quo” means “this for that.” This type of sexual harassment typically occurs when a person with the power to influence an employment decision or condition seeks a sexual favor in return for a positive outcome. The common example is when a supervisor or manager conditions an employment benefit or continuing employment on the employee's acquiescence in the form of sexual behavior.

Harassment Reporting Procedure

An employee who believes that s/he has been harassed by any employee, vendor, client, member, or other business contact should report the incident verbally or in writing to the Executive Director as soon as possible. In addition, any employee who sees or hears about conduct that may constitute harassment under this policy should immediately report it to the Executive Director.

If the Executive Director is involved in the reported conduct, or if for some reason the employee feels uncomfortable about making a report to the Executive Director, the employee should report the incident directly to a member of the Human Resource Committee.

The employee should include details of the incident(s), the names of individuals involved, the names of any witnesses, direct quotes when relevant, and any documentary evidence (notes, pictures, cartoons, etc.). All incidents of harassment that are reported will be investigated. [NAME OF ORGANIZATION] will endeavor to protect the privacy and confidentiality of all parties involved to the extent possible and consistent with a thorough investigation.

[NAME OF ORGANIZATION's] Human Resource Committee will promptly investigate all complaints of harassment, and will take whatever corrective action is appropriate. Employees who engage in prohibited harassment in violation of this policy will be disciplined, up to and including termination of employment.

All employees and managers have a duty to cooperate in the investigation of alleged harassment. Failing to cooperate or deliberately providing false information during an investigation shall be grounds for disciplinary action, including termination of employment.

[NAME OF ORGANIZATION] will not retaliate and will not tolerate retaliation against employees who complain about harassment in the workplace. If an employee thinks s/he has been retaliated against for resisting or complaining, s/he may file a complaint with the appropriate agency.

6. How WINGS members are promoting transparency and accountability

6.1 Introduction

Several WINGS members have worked on these issues, developing recommendations for their members on accountable and transparent practice. In this section, we would like to present a summary of some of these activities and resources. Please submit your experience to WINGS Coordinator Laura Fernandez, at lfernandez@wingsweb.org.

[AFE Colombia](#)

Self-Regulation and Transparency for Foundations [↗](#)

[Arab Foundations Forum](#)

Principles of Good Practice [↗](#)

[CAF Southern Africa](#)

Code of Good Practice [↗](#)

[CEMEFI Mexico](#)

Certification of Transparency and Accountability [↗](#)

[China Foundation Center](#)

Transparency Index [↗](#)

[Council on Foundations & European Foundation Center](#)

Principles of Accountability for International Philanthropy [↗](#)

[DAFNE & European Foundation Center](#)

Exploring Transparency and Accountability Regulation of Public-Benefit Foundations in Europe [↗](#)

[East Africa Association of Grantmakers](#)

Code of Ethics [↗](#)

[GIFE Brazil](#)

Call for Transparency and Accountability [↗](#)

[SAANED for Philanthropy](#)

Guide to Analyzing Philanthropy Organizations [↗](#)

6.2 The Council on Foundations and European Foundation Centre: Principles of Accountability for International Philanthropy

Called an “aspirational tool for international donors” and released in 2007, this resource focuses expressly on accountability for US and European-based foundations making cross-border grants. The document proposes that a commitment to accountability entails four main requirements:

- 1 **Uphold your core mission** in a manner that is consistent with the wishes of your benefactors, donors, or corporation;
- 2 **Serve the public good** as defined by national laws and international conventions in your own country and in the recipient country;
- 3 **Engage and inform your stakeholders** with respect to your intentions and decision-making processes, and provide a mechanism for input and feedback from those affected; and
- 4 **Assure positive impact** through your grantmaking and operating activities with respect to the people and communities affected by your interventions.

The document then names and describes seven principles that are intended to guide the international philanthropy (that is, grants made to organizations outside the foundation's own national borders, i.e. cross-border grantmaking) of independent funders:

1 Integrity

Engage in international philanthropy in a way that is in line with and truthful to your mission, values, vision, and core competencies. Show that you are genuine in your intentions throughout all aspects (programmatic, operational, and financial) of your international work. Be honest and transparent with your stakeholders.

2 Understanding

Take the time to research and understand the political, economic, social, cultural, and technological context in which your international philanthropy will take place. Tap into expertise that already exists, including at the local level, and develop a philanthropic strategy that is realistic and appropriate.

3 Respect

Avoid cultural arrogance by respecting cultural differences and human diversity. Recognize local knowledge, experience, and accomplishments. Be modest about what you know, what you can accomplish with the resources you have, and what you have yet to learn. When visiting international grantees and partners always keep in mind that you are a guest in someone else's country.

4 Responsiveness

Listen carefully to your international grantees and partners in order to understand and respond adequately to their needs and realities. Be open and prepared to adjust your original objectives, timeline, and approach to the local context and capacity – resist the temptation to impose your own models or solutions. Build a relationship of trust with your international grantees and partners and with the communities where you work.

5 Fairness

Be reasonable and flexible in what you require from your grantees and partners, ensuring that your demands are proportionate to the level, purpose, and nature of your support. Be mindful of their possibly limited capacity to deal with multiple funders, and do not demand of them what you would not demand of yourself.

6 Cooperation and Collaboration

Recognize that international work calls for a high level of cooperation and collaboration among funders themselves and with a variety of actors, including non-governmental organizations (NGOs), businesses, governments, and multilateral organizations. Strive to work collaboratively in order to maximize resources, build synergies, boost creativity, and increase learning and impact.

7 Effectiveness

Assess whether your international philanthropy is effective by engaging in a process of mutual learning with your peers, grantees, and partners. Demonstrate how your international philanthropy contributes to the achievement of your organization's mission and the advancement of the public good. Plan for sustainability and commit to staying long enough to be effective.

The document then goes on to describe a set of good practices that would enable a foundation to implement the above seven principles:

- 1 Align your international philanthropy with your vision and mission.
- 2 Understand the context in which you operate.
- 3 Engage with others. Do not work in isolation.
- 4 Inform, listen, and respond.
- 5 Respect diversity, autonomy, and knowledge.
- 6 Build trust. Invest for the long term.
- 7 Ensure good governance.
- 8 Ensure good stewardship of philanthropic resources.
- 9 Assess, learn and share knowledge.

To view the complete document, visit **WINGS Transparency and Accountability webpage**. [↗](#)

6.3 East Africa Association of Grantmakers:

Code of Ethics

The East Africa Association of Grantmakers has established a code of ethics that, while not specifically focused on transparency and accountability, nevertheless has a bearing on these values. This Code of Ethics is as follows:

Members of the East Africa Association of Grantmakers agree to:

- 1 Use the resources, which they control for the socially beneficial aims for which they are designated;
- 2 Define their mission, aims and programmes clearly and make them publicly known;
- 3 Strive to achieve maximum transparency in their activities;
- 4 Strive to keep administrative costs to a reasonable minimum;
- 5 Regularly publish reports on their activities, including financial data;
- 6 Remain aware of and comply with the legal responsibilities of grantmakers.

Within grantmaking programmes and in accordance with their mission, status, and aims, Members agree to:

- 1 Ensure that decision making on grant applications is established on a clear and logical basis, including appropriate control and oversight, and followed in a manner consistent with the organization's policies;
- 2 Ensure that appropriate arrangements are made to avoid improper conflict of interest arising for those involved in decision making;
- 3 Respect the confidentiality of applicants, grantees and donors and use discretion in communicating with others about specific organizations and individuals;
- 4 Treat grantees and colleagues with respect and abide by the principles of tolerance and non-discrimination;
- 5 Encourage grantees to remain aware of and comply with their legal responsibilities.

For more on the East Africa Association of Grantmakers Code of Ethics, visit [their website](#). 

7. Additional resources on transparency and accountability

To enhance your appreciation for transparency and accountability and to build your knowledge of the practice, WINGS recommends the following resources

Busan Partnership for Effective Development Co-operation

The Busan Partnership agreement [↗](#) offers a framework for continued dialogue and efforts to enhance the effectiveness of development co-operation. It has a set of common principles, which include transparency and accountability to peers, beneficiaries, citizens, organizations, constituents and shareholders. A Global Partnership for Effective Development Co-operation was established as a result of the Busan Partnership agreement to help ensure accountability for its implementation.

Glass Pockets

Created by the Foundation Center, **Glass Pockets** is a website focused on transparency in philanthropy. With Glass Pockets, the Foundation Center and its partners work to:

- Inspire private foundations to greater openness in their communications.
- Increase understanding of best practices in foundation transparency and accountability in an online world.
- Illustrate how institutional philanthropy is relevant to the critical issues of our time.
- Highlight the many stories of philanthropy that show how private wealth is serving the public good.
- Illuminate successes, failures, and ongoing experimentation so foundations can build on each other's ideas to increase impact.

IATI

The **International Aid Transparency Initiative** [↗](#) (IATI) seeks to improve the transparency of aid, development and humanitarian resources in order to increase their effectiveness

in tackling poverty. It addresses development challenges by making information about aid spending easier to access, use and understand. IATI brings together donor and recipient countries, civil society organizations and other experts in aid information who share the aspirations of the original IATI Accra Statement and are committed to working together to increase the transparency of aid.

WINGS Transparency and accountability webpage

Under its Thought Leadership programme, the WINGS website hosts a page dedicated to **Transparency and Accountability** [↗](#) featuring several resources on the topic. The webpage also publishes a detailed account of the consultation process that led to the development of this toolkit. The highly participative global process facilitated by WINGS aimed at deepening the understanding and practice of international philanthropy transparency and accountability, as well as introducing voices and perspectives from the global South. The regional consultations helped shape and incorporate themes to this toolkit, making it a truly collaborative work of WINGS members and other philanthropic stakeholders. The final report of each workshop, containing the topics discussed and list of participants can be found on the webpage.

WINGS Knowledge Center

The **WINGS Knowledge Center** [↗](#) is a clearinghouse for publications produced by WINGS, its members and other publishers of philanthropic information. Users can search by keyword, publisher, geographic area, date and category. One of