



Stewardship Principles and Practices

Preamble

The Group aspires to achieve a lasting and positive impact on society by contributing philanthropic resources to the public good. The assets of the Group extend beyond money, encompassing reputation and credibility, leadership skills in particular of the Management Committee and the ability to make the most of relationships and other resources.

As responsible stewards of philanthropic assets, the Group shall work in ways that benefit the public and also reflect fundamental values that include honesty, integrity, openness, fairness and accountability. The steward-ship principles and accompanying practices, describe how the Group will reflect these fundamental values in its governance, management, grant making and charitable activities.

As an entity operating for public purposes, the Group shall comply with federal, state and local laws and also uphold public trust in philanthropy and the non-profit sector. By ensuring the most appropriate and effective use of philanthropic resources, the Group can inspire future generations to continue the tradition of the Group philanthropy.

How to Use the Principles

These principles correspond to an array of philosophical and practical issues that all Groups face. The Management Committee shall use this document to better understand the practices and aspirations of each Committee member and the public to identify issues that are likely to arise enabling the Group to develop thoughtful policies and practices and improve them over time.

The degree to which the Group can adopt individual practices will depend on its:

- governing documents (which may include requirements and restrictions);
- history, philosophy and stage of organisational development;
- asset size and staffing level [if any]; and
- status as a grant making or operations of the Group.

As the Group further evolves, so will its practices. The Group shall approach these principles and practices with thoughtfulness and a commitment to continual review and revision to experience the greatest long-term benefits.

Governance

I. Needed to have a governing Management Committee that establishes the mission/vision, guides the strategies, assesses the effectiveness and fosters the ethical conduct of the Group.

II. Practices:

- A. Ensure the Group's governing documents [including Code of Conduct] clearly set out its corporate structure, comply with all applicable laws and regulations, and establish policies related to the functioning of the Management Committee and its committees and/or working groups.

- B. Develop and periodically review the Group's values and mission/vision statement, strategies, program areas and guidelines, goals and annual objectives.
- C. Make certain that the Management Committee dedicates sufficient human, financial and infrastructure resources to advance the mission. Ensure that any consultant/staff have the appropriate skills, knowledge and competencies.
- D. Provide for leadership continuity and plan for transitions.
- E. Assess the effectiveness of the Group's grant making, charitable activities, Management Committee governance, management and investments.

III. Authority is vested in the governing Management Committee as a whole, and each member is equipped to advance the Group's mission/vision.

Practices:

- A. Identify the desired characteristics of the governing Management Committee, including size, composition, and member skills and experience; ensure that members are competent, knowledgeable and sufficiently diverse to provide credible and effective oversight of all aspects of the Group's work.
- B. Develop rules and by-laws that specify term length, the number of consecutive and/or total terms Management Committee members may serve, roles and responsibilities, and selection and removal processes.
- C. Conduct business regularly to ensure meaningful interaction, including at least four in-person meetings annually.
- D. Ensure that grants made by authority delegated to individual Management Committee members are reviewed and are consistent with approved budget and policies.
- E. Provide comprehensive orientation and continuing education for governing the Management Committee and other committee/working group members on the Group's history and all aspects of the Group governance, including legal, fiduciary, and grant making issues and obligations to the public trust.
- F. Assess Management Committee members regularly on their adherence to governance practices, attendance and substantive contribution. Annual renewal should take into account assessment results.

IV. Governing Management Committee exercises active operational and fiscal oversight.

Practices:

- A. Know and ensure compliance with federal, state and local law, fiduciary duties, and sound operational and financial management principles.
- B. Approve annual operational plans.
- C. Approve an annual budget for operating and grant expenses and require staff to report at regular intervals to the full Management Committee on the Group's financial performance relative to the approved budget.
- D. Ensure that administrative expenses are reasonable and necessary to the Group's mission.
- E. Ensure that the Group has a written investment policy adequate for the size of the financial and investment objectives adopted by the Management Committee. Have the investment policy reviewed and approved by the Management Committee at regular and established intervals.
- F. Ensure that the Group has operational, accounting and policies and procedures appropriate to the size and complexity of the Group's budget.

- G. Incorporate internal controls. Ensure that the Treasurer:
1. Prepare timely financial statements and reports according to accounting principles adopted by the Management Committee.
 2. Establish and report to the Management Committee on effective internal controls, systems of checks and balances, formalised record keeping, and compliance with legal, regulatory and financial reporting requirements.
 3. Perform proper due diligence to assess fiscal and organisational viability and that their grant funds are used for charitable purposes.
- H. Obtain external oversight:
1. Establish planning, finance and audit committees as warranted by size and in accordance with state law to oversee operational, accounting (including internal controls), financial reporting, compensation practices and the external audit of the Group.
 2. Obtain an external review of the Group's finances and operations (based on asset size) by conducting a financial review, financial statement compilation, and annual audit [both financial and operational] for the Group.
 3. Ensure the Auditor presents the audit report or external review to the audit committee or Management Committee and meet privately (without staff). Have the Management Committee vote on whether or not to accept the audit.
 4. Require that the Chairperson and Treasurer submit annual financial statements designated returns and reports to State authorities [e.g. DOCEP for Charitable Collections -license held] to ensure that they fairly represent the financial position and operational activities of the Group, comply with the Group's governing documents, and are consistent with the Group's audited financial statements.
 5. Establish and maintain a Financial and Charitable Collections Code of Conduct.

Institutional Impact

V. The Group to consider multiple strategies to further its mission/vision.

Practices:

- A. Embrace best practice models and compare practices with others in the sector.
- B. Consider a range of financial support options that could include general operating, project, capital, research, scholarship, endowment, grants and funds to respond to emergency or other unanticipated needs.
- C. Use institutional, program and grant evaluations to improve outcomes.
- D. Share successes, failures and lessons learned from grant and program evaluations internally and externally, as appropriate.
- E. Collaborate with others who fund similar work.
- F. Provide technical assistance to grantees and other non-profits as necessary.
- G. Consider investing in ways that further the mission (eg. program-related investments, loans and socially responsible investing).
- H. Convene community leaders, government officials, non-profits and/or other funders concerned about similar issues for the good of the community.
- I. Consider employing public policy advocacy as permitted by law.
- J. Acknowledge that the results sought from grant investments are in part a function of the relationship between the grantee and the Group.

Ethics and Accountability

V. Recognise and act upon the Group's obligations to multiple stakeholders: the donor, grantees and grant seekers, the public and governmental bodies.

Practices:

- A. Include a variety of perspectives, knowledge and experience in the Group's work.
- B. Establish governance policies, Management Committee and staff training, and operational and grant making practices that promote inclusion.
 - 1. Seek diversity and inclusiveness in Management Committee appointments and hiring practices.
 - 2. Develop the capacity to understand issues and communicate skilfully across cultural, socio-economic and other boundaries.
- C. Establish and have Management Committee annually sign a written conflict of interest policy that identifies the types of conduct or transactions that raise concerns and describe how conflicts and perceived conflicts of interest are handled.
- D. Develop a whistleblower policy, as well as a policy to handle external good-faith complaints about violations of the Group policy or the conduct of Group Management Committee and staff.
- E. Respect donor intent while also considering the demands of a changing world. In cases where founding documents or other materials express donor intent or preferences, review them periodically to assess their continued usefulness.

VI. Respect non-profits' missions/visions and expertise and strive for relationships based on openness, understanding and mutual respect.

Practices:

- A. Develop transparent grants processes:
 - 1. Specify the steps, timing and general criteria used in the review process.
 - 2. Acknowledge grant seeker inquiries and submissions promptly.
 - 3. Use grant agreement letters to outline mutual expectations.
 - 4. Provide basic reasons for declining applications (eg. outside geographic scope) and consider additional constructive feedback when appropriate.
 - 5. Limit requests for information pre- and post-grant to that which is necessary for decision-making and appropriate to the size or purpose of the grant.
- B. Conduct site visits when appropriate, guided by the size and purpose of the grant and the impact on the grantee.
- C. Respond to and act promptly on complaints.
- D. Acknowledge and limit the effects of the imbalance of power in grantee/grantor relationships.
- E. Support operating projects and/or direct charitable activities (if any) that complement and strengthen non-profit organisations.
- F. Seek input on guidelines and criteria to ensure that they are clear and understood by applicants.
- G. Gather feedback (including anonymous) on the Group performance from current and former grantees and denied applicants.

VII. Welcome public interest and communicate openly.

Practices:

- A. Adopt strategic and effective two-way communication methods to ensure that it is open and transparent so that all can receive or access information, without the flow being unduly or unnecessarily restricted.
- B. Make public (on the Web and/or in print) items such as the Group's Management Committee, mission/vision, guidelines and grant process (including whether unsolicited proposals are accepted), finances, timetable, grantee list with amounts and purpose.
- C. Identify and make public an individual to serve as a point of contact for the Group.
- D. Respond to requests for information promptly.
- E. Prepare and distribute (on the Web or in print) information annually (eg, the annual report, updated Web content or a brief letter if appropriate).
- F. Convey the public value of the Group's work by communicating grant results, studies and lessons learned.
- G. Establish procedures to communicate with and respond to the media, legislators and other audiences, and train the Management Committee to ensure proper implementation.