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**State of Israel
Ministry of the Interior
Registrar of Non-Profit Organizations
Auditing Department**

September 5, 2000

Requirements for Certification of Proper Management

A non-profit organization can be eligible to receive government support only if it has received Certification of Proper Management from the Registrar of Non-Profit Organizations. In order to receive certification, our office determines whether the organization violates any of the clauses of the Law of Non-Profit Organizations – 1980 and operates according to the principles of proper management.

Following are the guidelines that an organization must follow in order to receive Certification of Proper Management:

1. The activities of the organization serve to achieve its objectives.
2. Its bookkeeping is done correctly and accurately reflects the organization's transactions and financial situation.
3. The organization's decisions serve its objectives rather than personal interests.
4. Use of the organization's full name as it appears on its registration certificate without abbreviations or deletions and with the addition of "registered non-profit organization" at the end.
5. Submission of complete financial reports for 1995-1998. The reports should have the original signatures of two members of the Committee and should be accompanied by the minutes of the General Assembly meeting that approved them.
6. Submission of the recommendation of the Auditing Committee or auditing body, with original signatures, regarding the financial reports. The recommendations should be pertinent and should relate to accounting as well as ethical issues.
7. Submission of a detailed and accurate list of payments made by the organization to the five highest wage earners each year. This includes grants, financial support, compensation, fees, etc.
8. Salaries are not paid to members of the Committee or the Auditing Committee unless a decision has made by the General Assembly to compensate them for participation in Committee meetings. This is permissible only within the restrictions set out in the guidelines of the Registrar regarding payment to members of the Committee. This includes the condition that there be no employer-employee relationship between the organization and the Committee member (non-salary compensation).
9. The General Assembly should meet at least once per year and the signed minutes of the meeting should be submitted to the Registrar as required by law.
10. The appointment of a Committee, Auditing Committee or auditing body (at least once per year when the organization uses the Standard Bylaws) and the submission of the minutes, signed by the outgoing Committee, to the Registrar's office. A member of the Committee cannot be a member of the