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# NATIONAL FUNDS TO SUPPORT CIVIL SOCIETY ORGANIZATIONS: APPENDICES

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## TABLE OF CONTENTS

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APPENDIX A: National Funds in the Overall Scheme of Civil Society Support.....	1
Exhibit 1: Estonian Civil Society Development Concept (EKAK), approved by Parliament, Section IV.....	1
APPENDIX B: In-Kind Support.....	3
Exhibit 1: Jordan’s Vocational Education Fund, Article 10.....	3
APPENDIX C: Sources of Funding .....	4
Exhibit 1: Jordan’s Disabled Welfare Law, Article 15 .....	4
Exhibit 2: Jordan’s Environmental Support Fund, Article 9.....	4
APPENDIX D: The Governing Bodies of the Fund .....	5
Exhibit 1: Albanian Law of Civil Society Support Agency, Chapter IV .....	5
Exhibit 2: Regulation of Student Support Fund in Official Jordanian Universities of 2004, Article 6 .....	9
Exhibit 3: Jordan’s Environment Support Fund, Article 4.....	10
APPENDIX E: Including Civil Society Representatives in the Governing Bodies of the Fund.....	11
Exhibit 1: Approval of the Procedures and the rules for nomination and selection of supervisory board members of the Civil Society Support Agency (CSSA) in Albania.....	11
Exhibit 2: Act on National Civil Fund Hungary, 2003, Articles 4, 12, 13.....	13
Exhibit 3: Act on National Civil Fund, Hungary 2003, Prevention of Conflict of Interest, Article 715 .....	15
APPENDIX F: Management and Other Operational Issues .....	17
Exhibit 1: Articles of Association of the National Foundation of Civil Society, NSCF, in Estonia.....	17
APPENDIX G: Eligibility and Selection Criteria .....	19
Exhibit 1: Act on the National Civil Fund Hungary 2003, Article 3 §1, The Beneficiaries.....	19
Exhibit 2: Albanian Law on Civil Society Support Agency, Chapter III, Article 5 .....	20
Exhibit 3: Albanian Law on Civil Society Support Agency, Chapter III, Article 6 .....	20
APPENDIX H: Documents that Set up Guidelines for Funding Procedures .....	21
Exhibit 1: Funding and Procurement: Compact Code of Good Practice.....	21
APPENDIX I: Rules that Govern Contracting and Payments.....	34
Exhibit 1: National Foundation of Civil Society, Procedures for Announcing Open Calls, Proceeding Applications and “Good Idea” projects, Disclosing and Monitoring the Implementation of the Grant – Estonia.....	34
APPENDIX J: Evaluating Institutional Strategy .....	37
Exhibit 1: National Foundation of Civil Society, Principles of Assessment – Estonia.....	37

## APPENDIX A: NATIONAL FUNDS IN THE OVERALL SCHEME OF CIVIL SOCIETY SUPPORT

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### EXHIBIT 1: ESTONIAN CIVIL SOCIETY DEVELOPMENT CONCEPT (EKAK), APPROVED BY PARLIAMENT, SECTION IV.

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*This is a sample of short –term goals to build a civil society infrastructure outside of the Fund.*

#### IV. IMPLEMENTATION OF EKAK

1. The general long-term priorities of implementing EKAK include:

1. Major rise in civic education and citizen action, and strengthening of involvement democracy.
2. Introduction of the co-operation based on partnership principles between the public sector and nonprofit sector, promotion and wide implementation of good co-operation practices and creation of co-operation network.
3. Guaranteeing of a functioning support system for civic initiative.

2. The short-term priorities of implementing EKAK include:

1. Mapping of the conditions necessary for the nonprofit sector and its sustainability, development of the classification system for citizens' associations and systematization of the statistics.
2. Mapping, improvement and strengthening of the co-operation and support structures.
3. Large-scale promotion of the Code of Ethics of the nonprofit sector.
4. Revision of the legal acts related to citizens' associations and, if necessary, drafting of the amendments.
5. Elaboration of the mechanisms for involving the representatives of citizens' associations in the development and implementation of the policies of different areas and legislation in general.
6. Mapping, systematization and improvement of the system for financing citizens' associations from public budgets and informing the general public thereof.
7. Improvement of the information channels and feedback mechanisms between the public sector and the society.

8. Development of the order for concluding and implementing co-operation agreements between the public sector and the nonprofit sector.

9. Elaboration of the general standards for offering public services and the principles and quality standards for transferring public services to the nonprofit sector.

10. Examination and updating of the civil education curricula and training materials, organizing of the in-service training for teachers of civic education.

11. Starting of the state-financed broadcasts and programs in mass media concerning the joint activities of civic initiative and the public sector, and creation of a related sub-section in the state server.

## APPENDIX B: IN-KIND SUPPORT

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### EXHIBIT 1: JORDAN'S VOCATIONAL EDUCATION FUND, ARTICLE 10

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Article (10): Disbursement shall be made from the Fund for its different activities including:

- a. Funding training needs for vocational and technical education and training institutions to improve facilities, provide raw materials, teaching materials and wages for training staff.
- b. Develop training programs for technical and vocational training with public and private companies and institutions.
- c. Cover the costs of trainees who cannot bear training costs in vocational and technical training institutions.
- d. Contribute in the costs of campaigns for raising the awareness by vocational training among the public.
- e. Contribute in covering the costs of studies and bonuses of technical committees to be formed by the Council.
- f. Conduct surveys related to training needs for local and regional labor markets.
- g. Cover all costs as required for the interest of the Fund including the salaries of its staff.

Any other activities as proposed by the Manager and approved by the Board of Directors.

## APPENDIX C: SOURCES OF FUNDING

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### EXHIBIT 1: JORDAN'S DISABLED WELFARE LAW, ARTICLE 15

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Article (15): Financial resources of the Council shall compose of:

1. Allocations made in the general state budget
2. 10% of the net profits of the Jordanian Benevolent Lottery launched by the General Federation of Social Associations.
3. Deleted
4. Deleted
5. Deleted
6. Donations, grants, gifts and bequests provided to the Council provided that the approval of the Council of Ministers shall be sought if they come from non-Jordanian source.
7. Fees imposed by the Council (according to special instructions) for the use of its facilities.
8. Returns on investments of funds.
9. Fines collected according to the provisions of this law.
10. Any other sources as agreed by the Council.

### EXHIBIT 2: JORDAN'S ENVIRONMENTAL SUPPORT FUND, ARTICLE 9

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Article (9)(a): Financial revenues of the Fund shall compose of the following:

1. Assistance, donations and grants made to the Fund from public, national and private institutions as well as Arab, regional and international organizations.
2. Amounts determined by the Council of Ministers from the revenues of carbon sale according to relevant international conventions.
3. Fees and fines levied by law.

The Fund shall have a special account within the Ministry budget and its funds shall be deposited in a separate account with one or more banks selected by the Minister.

## APPENDIX D: THE GOVERNING BODIES OF THE FUND

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### EXHIBIT 1: ALBANIAN LAW OF CIVIL SOCIETY SUPPORT AGENCY, CHAPTER IV

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#### Article (7): Organs of the CSSA

1. The organs of the CSSA are the Supervisory Board and the executive Director.
2. The charter of the CSSA may specify other executive organs to advise or assist it.
3. The procedures of the organisation and functioning of the organs of the CSSA are defined in its charter and the decisions of the Supervisory Board.
4. The members of the organs of the CSSA perform their functions in conformity with the provisions of this law, the legislation in force, the charter and the other general acts of the CSSA.

#### Article (8): Composition of the Supervisory Board

1. The CSSA is managed by the Supervisory Board, which consists of nine (9) members.
2. The Supervisory Board of the CSSA consists of five members who represent the organisations of civil society and four members who represent the institutions of the central public administration.
3. The Council of Ministers appoints, according to point 2 of this article, four members of the Supervisory Board from representatives of the institutions of the central public administration and five members from representatives of the organisations of civil society, in compliance with the principle of equal gender representation.
4. The representatives of the organisations of civil society are appointed to the Supervisory Board according to point 3 of this article on the basis of their contribution and experience according to proportional representation of the main and priority fields of development and the strategic priorities for the development of civil society. The organisations of civil society registered according to law have the right to send their proposals for representation on the Supervisory Board to the General Secretary of the Council of Ministers.
5. The procedure and rules for the implementation of this article are determined by decision of the Council of Ministers.

#### Article (9): Duties and competences of the Supervisory Board

- a) it compiles the charter of the CSSA;

- b) it approves, on the basis of this law, detailed rules about the conditions and procedures for the distribution of funds for fulfilling the mission of the CSSA;
- c) it examines the reports of the activity of the CSSA and approves the plan of actions according to the fields that it defines;
- ç) it approves the annual budget of the functioning of the CSSA;
- d) it approves the financial reports;
- dh) it approves the rules of functioning of the personnel;
- e) it decides on the use of the property of the CSSA;
- ë) it elects, releases and discharges its chairman and deputy chairman;
- f) it appoints, releases and discharges the executive director from duty;
- g) it reports to the Council of Ministers on the activity of the CSSA and
- gj) it performs other duties in conformity with the provisions of this law and the charter of the CSSA.

#### Article (10): Decision-making of the Supervisory Board

1. The dates of the meetings of the Supervisory Board are notified to the Board Members by the Chairman, at least 10 days before the meeting.
2. A meeting may be held if the majority of the members of the Supervisory Board are present. Decisions of the Supervisory Board are taken by a simple majority of the members present at the meeting, except for the cases defined in point 1 of article 11 and point 4 of article 12 of this law as well as decisions for the approval or amendment of the charter of the CSSA and the manner of use of its immovable property which are taken with a simple majority of all the members of the Supervisory Board.
3. Meetings of the Supervisory Board are open to the public, except for cases when the law provides otherwise. The place, date, hour and agenda of the meetings are made known ahead of time according to point 4 of this article.
4. Decisions of the Supervisory Board are published in the publications corner at the headquarters of the CSSA or by another appropriate means in conformity with the definitions of the charter or acts of the CSSA.
5. So long as it is not otherwise provided in this law, the functioning and decision-making of the Supervisory Board is done according to law no. 8480 dated 27.05.1999 "On the functioning of collegial organs of the state administration and public entities."



#### Article (11): Chairman of the Supervisory Board

1. The chairman and deputy chairman of the Supervisory Board are elected, and discharged from duty by a simple majority of the total number of the members of the Supervisory Board. A proposal for their discharge is made by at least one third of the members of the Board.
2. The Chairman of the Supervisory Board performs these duties:
  - a) he calls its meetings, determines the agenda and chairs the meetings of the Supervisory Board according to the rules and procedures defined in the charter of the CSSA;
  - b) he represents the Supervisory Board in relations with third parties;
  - c) he oversees the implementation of the decisions of the Supervisory Board;
  - ç) he performs every other duty defined in the charter of the CSDF or assigned by the Supervisory Board.
3. In the absence and inability of the Chairman, the Deputy Chairman of the Supervisory Board performs his duties.
4. Calling of meetings, the determination of the agenda and the supervision of the implementation of the decisions of the Supervisory Board, as in point c, paragraph 2 of this article, can also be done by one third of the members of the supervisory board.

#### Article (12): Executive director of the CSSA

1. Executive director of CSSA performs these duties:
  - a) he represents the CSSA in relations with third parties;
  - b) he administers, oversees and directs the activity of the CSSA and its administration, including the employment and administration of the personnel, in conformity with the law, the charter of the CSSA and the decisions of the Supervisory Board;
  - c) makes proposals and suggestions to the Supervisory Board whenever required or on his own initiative about the good conduct of the activity of the CSSA;
  - ç) he assures cooperation with public institutions and local and foreign legal persons for the good conduct of the activity of the CSDF
  - d) he exercises every other duty that has not been given to other organs of the CSSA in conformity with the provisions of this law, the legislation in force and the charter of the CSSA;

2. The members of the Supervisory Board or debtors of the CSSA, as well as their relatives, may not be appointed to the duty of executive Director of the CSSA.
3. The executive director takes part in meetings of the Supervisory Board without the right to vote and has the right to propose issues for inclusion in the agenda of meetings of the Supervisory Board.
4. The executive director is appointed and discharged by a simple majority of the total number of the members of the Supervisory Board.

#### Article (13): Length of the mandate of the leading organs of the CSSA

1. The length of the mandate of a member of the Supervisory Board is four years, with the right of re-election only once. The mandate of a member of the Supervisory Board ends prematurely when:
  - a) he resigns;
  - b) there are conditions of incompatibility or a conflict of interest according to article 14 of this law are created and a verified violation according to point 2 of this article;
  - c) he loses legal capacity to act by court decision;
  - ç) he does not take part in at least half of the meetings of the Supervisory Board organised during one year;
  - d) he dies;
  - dh) he is sentenced for the commission of a criminal offence by final judicial decision.
2. The Council of Ministers discharges a member of the Supervisory Board from duty when it finds a violation of the law and general acts of the CSDF, when he has professional and financial interests that are in conflict with the interests of the CSSA or when his behaviour and position infringe the reputation of the CSSA.
3. The Supervisory Board discharges the executive Director from duty when it finds one of the violations mentioned in point 2 of this article.
4. The appointment of a new member of the Supervisory Board or executive Director takes place no later than 30 days from the end of the mandate.

#### Article (14): Prevention of conflicts of interest

A member of the Supervisory Board or any other organ of the CSSA may not vote or take part in a decision-making in which he, his spouse, adoptee or adopted parent, relative in a direct or indirect line with a blood tie or marriage relation up to the second level has a financial interest or in cases

related to a legal person of which he is a member, takes part in its administration or has a financial interest in it according to law.

Article (15): Administration of the CSSA

1. The structure of the administration of the CSSA is defined in its charter.
2. The number of employees of the CSSA is approved by the Council of Ministers as a separate line, in conformity with the law on the annual State Budget.
3. The levels of pay and compensation of the employees of the CSSA are approved by the Council of Ministers, in conformity with the legislation in force. The labour relations of the employees of the CSSA are regulated according to the Labour Code.
4. The budget for salaries and expenditure of the administration of the Fund should be approved as a separate item in the Law of State Budget, along with the Civil Society Fund.
5. The CSSA cooperates with state institutions and Albanian and foreign legal persons in conformity with the definitions of its charter.

**EXHIBIT 2: REGULATION OF STUDENT SUPPORT FUND IN OFFICIAL JORDANIAN UNIVERSITIES OF 2004, ARTICLE 6**

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Article (6):

- a. The Fund shall be managed by a committee chaired by the Secretary General or the Ministry with the following members:
  1. Secretary General of the Ministry of Finance, Vice-Chairman.
  2. Secretary General of the Ministry of Labor.
  3. Secretary General of the Ministry of Social Development.
  4. Secretary General of the Ministry of Planning and International Cooperation.
  5. Two deans for students' affairs in official Jordanian universities to be appointed by the Minister for two years (in rotation).
  6. Finance Manager of the Ministry.
  7. Manager of the Scholarships Department at the Ministry.

Manager of the Scholarships Department at the Ministry shall be responsible for development of studies and collection of data and information needed for the work of the Committee. He shall be assisted by sufficient number from the Ministry staff as nominated by the Minister. He shall also coordinate between the Committee and other relevant entities for the implementation of this regulation.

## EXHIBIT 3: JORDAN'S ENVIRONMENT SUPPORT FUND, ARTICLE 4

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### Article (4):

- a. The Fund shall be managed by a committee known as "Fund Management Committee" chaired by the Minister with the following members:
  1. Five representatives from the relevant entities in the public sector to be nominated by the Minister based on a recommendation from the Secretary General.
  2. Five representatives from the private sector and environmental non-governmental organizations. Those members should be experienced and specialized in this field and shall be nominated by the Minister based on a recommendation from the Secretary General.
- b. Membership term in the committee is three years renewable for one time only.
- c. Membership of any of those mentioned in item (2) of paragraph (a) of this article expires when a replacement is appointed. Also, membership of any of them may be terminated if the member does not attend three consecutive meetings without an excuse acceptable to the Committee.
- d. The Committee shall select from its members a Vice-Chairman who acts as a Chairman in case of the latter absence.
- e. The Committee shall convene by invitation from its Chairman or Vice-Chairman once a month at least or whenever necessary. The meeting is legal if attended by majority of members including the Chairman or the Vice-Chairman. Decisions shall be taken by majority of votes.
- f. The Committee may invite specialists and experts to seek their opinions in discussed matters without having the right to vote.

The Minister shall appoint a secretary to the Committee from the Ministry staff. The secretary shall organize the committee agenda, write its minutes and keep its books and records.

**APPENDIX E:  
INCLUDING CIVIL SOCIETY REPRESENTATIVES IN THE GOVERNING  
BODIES OF THE FUND**

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**EXHIBIT 1: APPROVAL OF THE PROCEDURES AND THE RULES FOR  
NOMINATION AND SELECTION OF SUPERVISORY BOARD MEMBERS OF THE  
CIVIL SOCIETY SUPPORT AGENCY (CSSA) IN ALBANIA**

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**I. SELECTION CRITERIA / REQUIREMENTS FOR CANDIDATES FROM STATE  
ADMINISTRATION**

1. The candidates selected from the state administration should not be part of the management of an NGO at the time of their nomination and during their mandate as CSSA's Board members.
2. In addition, if they were affiliated with an NGO prior to joining the state administration or during their term in the administration, their names should not be associated with public scandals within the NGO sector.
3. An advantage will be to have some grant-making expertise.

**II. SELECTION CRITERIA / REQUIREMENTS FOR CANDIDATES FROM CIVIL SOCIETY**

1. The potential Board members should have at least 3 years of work experience with civil society organizations.
2. They should have never been convicted for criminal offence, with juridical decision or have not been declared responsible for managed a legal entity which has gone bankrupt.
3. An advantage will be to have some grant-making expertise.
4. Each candidate should be supported by at least 5 NGOs or civil society organization working in the same area of expertise. An NGO or civil society organization can support only one candidate.

**III. SELECTION OF THE CIVIL SOCIETY REPRESENTATIVES IN THE SUPERVISORY BOARD**

Under the responsibility of General Secretary of the Council of Ministers, undertake/take on the following procedures:

- a) publish an announcement for opening the selection process for representatives of civil society, using no less than two options: written media, Council of Ministers'

website, through different mailing lists, websites popular among NGOs, donors contact lists etc.

b) The announcement may contain the criteria selection and the capacity of candidates, introduced from civil society.

c) Civil Society Organization have 15 working days to apply and provide all necessary documents including references and supporting letters from 5 NGOs, and all declarations according Chapter II of this document.

ç) Out of 5 working days after the end of the nomination period the Council of Ministers announces all the candidates that have completed all the requirements for the position.

d) Council of Ministers chooses 5 candidates and nominated them for member of the supervised board of CSSA and it makes sure no two candidates are from the same field or organization.

dh) In appointment of the supervised board members of the CSSA, should take care to maintain the gender balance according to the legislation in force.

#### IV. SELECTION AND NOMINATION OF THE CIVIL SOCIETY REPRESENTATIVES IN SUPERVISORY BOARD AFTER THE END OF THE FIRST MANDATE

##### 1. Procedure of the announcement and the nomination of candidates.

a) The Council of Ministers publishes an announcement for opening the selection process of civil society candidates for supervisory board of CSSA at least 3 months before the end of the mandate, using no less than 3 options mentioned in letter “a”, on chapter III of this documents.

b) The announcement may contain the criteria selection and the capacity/values of candidates, introduced from civil society.

c) Civil Society Organizations have 15 working days to apply and provide all necessary documents including references and supporting letters from 5 NGOs, and all declarations according Chapter II of this document.

ç) Out of 5 working days after the end of the nomination period the Council of Ministers announces all the candidates that have completed all the requirements for the position.

##### 2. Voting mechanism

a) Eligible to propose/to vote candidate, are NGOs registered under the NGO law.

b) Each NGO has the right to propose/to vote only for 1 representative on the Supervisory Board.

c) Voting will be carried out by filling out a special voting form which is signed and stamped by the official representative of the organization that votes. The form can be sent by mail, fax or scanned and sent by e-mail. Forms that are sent by mail should be sent before the end of the voting period. That is why the Council of Ministers waits for a sufficient period of time to receive all voting forms sent by mail.

### 3. Nomination

The Council of Ministers selects 5 people out of the 15 candidates that have received most votes in the voting process. It makes sure no two candidates are from the same field and there is a gender balance according the legislation in force.

## V. PREMATURE ENDING OF THE MANDATE OF A BOARD MEMBER

If the term of a Board member representing civil society is terminated prematurely according the law, the Council of Ministers appoints a replacement in his/her place within 30 days. The Council of Ministers can choose a representative from civil society the ones that were nominated but not selected the previous time or launch a new nomination procedure in accord with Chapter IV of this document.

## EXHIBIT 2: ACT ON NATIONAL CIVIL FUND HUNGARY, 2003, ARTICLES 4, 12, 13

### Article (4): The Organization of the Fund Program

(1) The Council is the principal governing body of the Fund Program. Within the frame of the present Act, it determines the basic regulations of the operations of the Fund Program; the principles and guidelines of the support provided by the Fund Program; the maximum amount of support to be given to any one civil organization in a budgetary year; the rate at which subsidies will be divided among Colleges; and performs other tasks determined by the present Act.

(2) The Council consists of seventeen (17) members; of which two (2) members are delegated by the relevant Committee of the Parliament (hereinafter: Committee) and appointed by the Minister; three (3) members are delegated by the Minister at his discretion and appointed by the Minister. Twelve (12) members of the Council are elected by the national civil nomination system determined by Articles 12-13 of the present Act. The chairman of the Council is appointed from among the members of the Council by the Minister with the agreement of the Committee and based on the recommendation of the Council.

(3) The Council shall commence its operation following the delegation and appointment of all of its members. The first session of the Council shall be called upon by the Minister.

(4) The lawfully assembled Council is only capable of making a decision if more than half of its members are included in the voting. All the members of the Council have one vote each. The Council shall adopt its resolutions by the agreement of more than half of its members.

(5) The operation of the Council shall be determined by its bylaws, the draft of which shall be proposed by the Chairman of the Council after consultation with the Minister. The Council adopts its bylaws and its modifications by the consent of at least two-thirds (2/3) of the members.

(6) The Chairman of the Council and any member may raise an objection to the Minister within 30 days from adopting a resolution. The Minister shall decide on the merit of the objection within 30 days. In case the Minister establishes that there is an infringement of law or the bylaws were not applied, he shall rule in a reasoned decision that the resolution is invalid and shall annul it. In such cases the Council is obliged to adopt a new resolution within 30 days.

#### Article (12): The civil nomination system

(1) Through the civil nomination system civil organizations of a national scope shall elect five members of the Council by way of electing one member each from among civil organizations in the area of:

- a) Health-conservation, illness prevention, medical recovery, health rehabilitation activity, social activity, family-assistance, assistance to the elderly, rehabilitation in employment, assistance of the socially disadvantaged;
- b) Cultural activities, educational and pedagogical activities, activities concerning national and ethnic minorities in Hungary, activities related to Hungarians outside Hungary;
- c) Nature protection, animal protection, environmental protection and cultural heritage protection;
- d) Child and youth representation and protection, sports, leisure-time;
- e) The protection of public order and safety, voluntary fire-fighting, rescuing, prevention of catastrophes, protection of human and constitutional rights, consumer protection, promotion of Euro-Atlantic integration, services for the non-profit civil sector, other non-profit activities.

(2) One member each of the Council from each region shall also be elected through the civil nomination system.

(3) The number and composition of each College shall be determined by the Minister in accordance with the rules determined in Article 5 Section (2) of the present Act. The civil delegated members of the Colleges shall be elected through the civil nomination system.

(4) Regional or national civil organizations, which indicate their intention to participate in the system in accordance with the concerned announcement of the Minister, may send electors to the civil nomination system. The deadline for application shall not be shorter than 30 days. Each regional civil organization may send one elector from within its



operational territory only. Each national civil organization may send one elector to the national civil organizations assembly only. In the application it shall be indicated which electoral assembly the concerned civil organization will send an elector to.

(5) All civil organizations that filed their participation in accordance with Section (4) above may delegate one elector, and in one electoral procedure every person may act as elector on behalf of one organization only.

(6) The electoral assembly of the national civil organizations and the regional electoral assemblies shall be called upon by the Minister. The place, date and method of examining the mandates shall be disclosed in a public announcement.

Article (13):

(1) The members of the Council and of the Colleges to be elected by the civil nomination system shall be elected by a small-list method, described in the present Act.

(2) The names of all candidates who acquire ten percent (10%) of the votes of the electors present in an open vote shall be listed on the ballot.

(3) The electors shall only vote for as many candidates in the ballot as shall be elected in the given procedure.

(4) Those candidates who obtained most of the votes shall become the members of the Council and of the Colleges in order of the number of votes until the number of places is filled. In cases of tie votes, it shall be decided by lot who receives the mandate from among the candidates who received an equal number of votes.

**EXHIBIT 3: ACT ON NATIONAL CIVIL FUND, HUNGARY 2003, PREVENTION OF  
CONFLICT OF INTEREST, ARTICLE 7**

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Article (7): Prevention of conflicts of Interest

1) The member of the Council or his/her close relative cannot be a member of the College.

(2) The member of the College cannot participate in decision-making if he/she or his/her close relative is an official or was within three (3) years in the civil organization supported, or if the member or a close relative or a civil organization represented by the member would materially benefit as a result of the decision.

(3) An individual, who within five (5) years prior to the appointment fulfilled an executive position in a civil organization, the operation of which has been terminated, and which did not pay its public debts accumulated during the last two years prior to its termination although it was required to do so by a definitive court or administrative resolution, may not become members of the Council or the professional Colleges, unless his/her mandate for the

executive position was especially taken for purposes of managing the financial situation of the organization.

(4) Any circumstances indicating a condition that serves as a basis for exclusion or conflict of interest related to the Chair of the Council should be brought to the attention of the Minister, while such circumstances related to the Chair of the College should be brought to the attention of the Chair of the Council.

(5) In case the reasons for exclusion or conflict of interest prove to be well founded, the Minister or the Chairman of the Council will ask the member to terminate the reason for exclusion or conflict of interest within a given period. Until the condition for exclusion or conflict of interest ceases, the member may not exercise his/her voting rights within the body. In case of a dispute concerning the question of exclusion or conflict of interest - on the request of the concerned member of the Council or the Colleges - the Minister takes a decision.

(6) If a member fails to report his/her conditions that serve as a basis for exclusion or conflict of interest, he/she becomes unworthy of membership of the Council or the College. Those decisions that directly concern the case where reasons for exclusion or conflict of interest are involved, and were made with the supportive vote of the concerned member are all invalid. The ruling of invalidity cannot cause the injury of gained and exercised rights of the civil organization.

(7) If the concerned member does not terminate the reason for exclusion or conflict of interest within the given time period, his/her mandate terminates on the day following the deadline.

(8) If a member of the Council or College does not participate in more than half of the meetings in a calendar year, the Chair of the Council or of the College may initiate the withdrawal of his/her assignment with the Minister. If the Chair of the Council or of the College does not participate in more than half of the meetings in a calendar year, the members of the Council or the College may initiate the termination of his/her appointment as Chair with the Minister. If such initiatives are found well grounded, the Minister may withdraw the appointment of the member or Chair of the Council or the College.

## APPENDIX F: MANAGEMENT AND OTHER OPERATIONAL ISSUES

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### EXHIBIT 1: ARTICLES OF ASSOCIATION OF THE NATIONAL FOUNDATION OF CIVIL SOCIETY, NSCF, IN ESTONIA

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Articles (4.1)-(4.9):

- 4.1 The chairman of the management board of the Foundation (manager) shall:
- 4.1.1.1 Organise management board's activity;
  - 4.1.1.2 Be responsible for organisation of accountancy of the Foundation;
  - 4.1.1.3 Decide making expenses necessary for Foundation's activity within the scope and subject to budget approved by the supervisory board;
  - 4.1.1.4 Work out and present to the supervisory board for approval the structure of the Foundation, the procedure of electing and employment of salaried workers and concept of salary schedule and remuneration of workers;
  - 4.1.1.5 Take on job and dismiss the workers of the Foundation by making, changing and terminating employment contracts with them;
  - 4.1.1.6 Grant powers of attorney for representation of the Foundation;
  - 4.1.1.7 Attend the supervisory board meetings, unless otherwise decided by the supervisory board.
- 4.2 A member of the management board cannot be member of the supervisory board or debtor in bankruptcy.
- 4.3 Management board shall abide, by management of the Foundation, legal orders of the supervisory board and fulfil the tasks arising of the articles of association.
- 4.4 Management board may do transactions, falling outside the daily economic activity, only upon consent of the supervisory board.
- 4.5 Supervisory board may delegate to competence of the management board deciding all questions relating to the activity of the Foundation, which are not in contravention of law. A member of the management board cannot impose on a third party fulfilment of his obligations.
- 4.6 Supervisory board may at any time, regardless of cause, revoke the powers of management board member. The rights and obligations arising of an agreement made with a member of the management board will end according to the agreement.

- 4.7 Procedure of work of management board members and other conditions (incl. remuneration) will be set down in the agreement made between member and supervisory board. When making an agreement with a member of the management board, the chairman of the supervisory board of the Foundation will represent the supervisory board.
- 4.8 A member of the management board member, who has incurred damage to the Foundation by violation of his obligations, shall be liable for incurring damage. If the management board includes more than one (1) member, the management board members shall be jointly and severally liable for the damage incurred.
- 4.9 Competence of the management board:
- 4.9.1.1 Providing implementation of decisions of the supervisory board, and bearing responsibility for fulfilment thereof;
  - 4.9.1.2 Representation of the Foundation, in keeping with restrictions or powers established by the supervisory board, and acting in its name;
  - 4.9.1.3 Planning of daily economical activity of the Foundation, organisation and management of the Foundation, disposition of assets, making agreements, opening accounts with credit institutions;
  - 4.9.1.4 Drawing strategy, action plan and budget of the Foundation and making proposals for change, and submitting them to the supervisory board for approval;
  - 4.9.1.5 Drawing the investments strategy of the Foundation and subsidy programmes and submitting them to the supervisory board for approval;
  - 4.9.1.6 Elaboration of procedures of carrying out subsidy competitions of the Foundation and submitting them to the supervisory board for approval;
  - 4.9.1.7 Drawing the report of financial year of the Foundation and submitting it to the supervisory board for approval within three months as from end of the financial year;
  - 4.9.1.8 Making agreements for involvement of additional financial means on the basis of decisions of the supervisory board;
  - 4.9.1.9 Drawing the activities and financial reviews of the Foundation once per quarter and submitting them to the supervisory board.

## APPENDIX G: ELIGIBILITY AND SELECTION CRITERIA

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### EXHIBIT 1: ACT ON THE NATIONAL CIVIL FUND HUNGARY 2003, ARTICLE 3 §1, THE BENEFICIARIES.

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*This is an example of eligibility criteria.*

#### The Beneficiaries

Article (3)(1): The following civil organizations may apply for support from the Fund Program:

- a) Social organizations (except for political parties, employer and employee representations, insurance associations and churches), which are registered by the court at least one year prior to the first day of the year in which the tender was announced or in which the fulfillment of conditions for support determined by unified principles was decided, and which actually carry out activities according to their articles of association;
  
- b) Foundations (not including public foundations), registered by the court at least one year prior to the first day of the year in which the tender was announced or in which the fulfillment of conditions for support determined by unified principles was decided, and which actually carry out activities according to their founding charter;

Article (3)(2): Except for the purposes determined in Article 1, Clause (2) points a) and j), payments from the Fund Program may only be made to civil organizations that possess through a legally binding resolution the status of public benefit according to Act CLVI/1997 on the Public Benefit Organizations.

Article (3)(3): Civil organizations, which in the given budgetary year directly receive - on the basis of being named in the Budget Act – budget subsidies for their operations, are not entitled to the support for operational expenses of the Fund Program.

Article (3)(4): Civil organizations, which carry out direct political activity according to Article 26 point d) of Act CLVI/1997 on the Public Benefit Organizations, are not entitled to the support of the Fund Program.

## EXHIBIT 2: ALBANIAN LAW ON CIVIL SOCIETY SUPPORT AGENCY, CHAPTER III, ARTICLE 5

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*This is an example of eligibility criteria.*

### Article (5): Benefiting subjects

The CSSA and every other financing authority support and assist, according to the definitions of this law and in compliance with the strategic priorities, initiatives, programmes and activity of a non-profit nature:

- a) of civil society organisations that are registered according to law and conduct activity according to the object defined in their charter, with the exception of political parties, labour unions, religious institutions and political organizations which benefit from public funds;
- b) of natural persons to support their research and studies, participation in international public activities and other forms of individual support, according to the specific programmes of the agency.

## EXHIBIT 3: ALBANIAN LAW ON CIVIL SOCIETY SUPPORT AGENCY, CHAPTER III, ARTICLE 6

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*This is an example of selection criteria*

### Article (6): Selection principles

In the process of the examination and selection of benefiting candidates and the distribution of funds for the support of civil society according to this law, every financing authority relies on the following principles:

- a) freedom of participation and competition
- b) non-discrimination and equal treatment;
- c) transparency of procedures and decision-making, offering all candidates the respective procedure and information;
- ç) compatibility with the objectives of the grant and the effectiveness of the use of resources, using a competition system and criteria that enable the evaluation of the project proposal and the technical and financial specifications for the selection and distribution of the grant;
- d) the absence of retroactivity, excluding the possibility of the distribution of funds for activity that has already been realised at the date of the decision-making;
- e) impartiality of examination and decision-making and the prevention of conflicts of interest;
- f) the exclusion of overlapping, which means the avoidance of financing of the same activity for the same concrete interest more than once during a fiscal year.

## APPENDIX H: DOCUMENTS THAT SET UP GUIDELINES FOR FUNDING PROCEDURES

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### EXHIBIT 1: FUNDING AND PROCUREMENT: COMPACT CODE OF GOOD PRACTICE

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#### Chapter (1): Introduction: Our shared vision

1. Both Government and the voluntary and community sector share a vision of a fair society, with strong communities and opportunity for everyone. The Government recognises that the voluntary and community sector can make a significant contribution to this vision. Many voluntary and community organisations enter into a financial relationship with Government to deliver outcomes on its behalf, either through grant funding or by supplying services purchased through public procurement.

2. It is important that the financial relationship is constructed in such a way that allows outcomes to be maximised. The achievement of outcomes can be supported if resources are released to frontline delivery and if organisations delivering them can continuously improve performance.

#### What the Funding and Procurement Code is

3. The current financial relationship does not always allow for the best possible outcomes to be achieved. This Code aims to influence behaviour in both the voluntary and community sector and Government to achieve this vision. The Code does this through:

- a. setting a framework for the financial relationship; and
- b. setting out undertakings for both sides, based on what each can expect from the other.

4. The Code is based on agreed principles and guidance published elsewhere. It is consistent with the Government's duty to achieve value for money, principles in Government Accounting and European Union procurement law. Its principles and undertakings apply to both grants and contracts, but it is important to be aware that grant funding and public procurement operate under different detailed rules and the appropriate procedures should be understood and applied in each case.

5. The Compact builds relations that change how partners behave and work together. Programmes that are jointly designed or partnerships that are based on trust and mutual respect (see Appendix C) show a commitment to getting it right together for mutual advantage. This is a Compact way of working.

6. The aim of this Code is to contribute to a constructive dialogue to improve funding and procurement practice. The Code covers how programmes should be designed and delivered

to achieve the vision above in the best possible way. It does not cover what is funded or who should be funded.

#### Who the Code is for

7. The Code is for everyone in England involved in public funding of the voluntary and community sector (including its social enterprise activity), whether distributing, applying for or receiving funding.

8. In Government, it is aimed at people developing programmes where voluntary and community organisations help deliver objectives, and at people administering these programmes, such as procurement or grant officers.

9. In the voluntary and community sector, it is aimed at people applying for or managing Government funding and contracts.

10. The Code should also influence practice in Local Government and local public sector bodies by informing the development and implementation of Local Compacts (see Appendix C).

#### How is the Code structured

11. The Code takes the reader through the funding and procurement process and includes design, delivery and conclusion of the financial relationship. Each chapter includes directions to more detailed information.

#### Principles That Should Apply At All Stages of a Financial Relationship:

- Focus on outcomes – the achievement of outcomes should be used as a key indicator of the success of funding.
- Simplicity and proportionality – processes should be as simple as possible and in proportion to the amount of money involved.
- Consistency and co-ordination – funders and purchasers should endeavour to join-up or standardise parts of the funding or procurement chain to minimize burdens on organisations and ensure a focus on delivery.
- Timeliness – allowing time for planning, decision making and action so they have real effect.
- Transparency and accountability – allowing informed decisions about spending priorities to be made and for both Government and the sector to learn from previous work.
- Discussion and dialogue – this helps build trust and can identify and overcome problems before they impact on the delivery of outcomes.



- Empathy – understanding each other’s needs and requirements should help avoid problems and help achieve outcomes.

## Chapter (2): Programme design

1. This chapter is about planning the best way of achieving intended outcomes.

### What we are trying to achieve

2. Many Government programmes can achieve their intended outcomes by involving voluntary and community organisations in design. Well designed programmes consider how the voluntary and community sector can work most effectively with Government and the long-term impact of sector involvement. Long-term impact is improved if those organisations have more certainty about their income. The benefits for the voluntary and community sector

3. The voluntary and community sector benefits from good programme design.

Programmes:

- are more relevant to the voluntary and community sector;
- allow organisations to effectively contribute to public policy objectives;
  
- maximise agreed outcomes; and
  
- allow organisations to grow and develop and become more effective in the long-term.

### The benefits for Government

4. Government benefits from good programme design by having programmes that:

- are defined and realistic, and can be delivered;
- are clear about the reasons why an organisation is receiving funding; and
- strengthen the voluntary and community sector supplier base and its ability to deliver in the long-term.

### What the voluntary and community sector needs to do to achieve this

5. The voluntary and community sector should contribute constructively to the design of programmes and focus their contribution on the needs of end users or beneficiaries. The voluntary and community sector undertakes to respect confidentiality and to be clear about whom they represent and how they came to their views.

6. Voluntary and community organisations should also consider what would happen if or when the financial relationship ends and plan for this at an early stage (see chapter 7).

## What Government needs to do to achieve this

7. Government's financial relationship with voluntary and community organisations usually has one of three overall objectives:

- Project funding – to pay for a particular project or service, usually through a contract or grant.
- Development funding – to invest in new capacity or new organisations to develop their ability to contribute to public policy objectives, usually through a grant or loan. Loans range from commercial rate loans to “patient capital” which may include reduced rate or interest free loans and flexible payments terms.
- Strategic funding – to organisations recognised to be of strategic importance and whose work is considered to be significant, usually through a grant.

8. Longer term planning and financial arrangements often represent better value for money than one year agreements by providing greater financial stability and by reducing the amount of time and effort wasted on applying for new funds or renegotiating contracts. For grants, this includes roll-forward multi-year agreements.

9. Government undertakes to provide whenever possible an opportunity for the voluntary and community sector to contribute to programme design. This should help identify:

- risks to delivery of programmes and how risks can be passed to the public sector body or voluntary and community organisation best able to deal with them;
- barriers to delivery (for example, unrealistic timeframes or slower development of delivery or demand in the early part of the programme);
- the optimum size of grants or contracts – by ensuring that sizes are small enough to help secure a diverse supply base and to allow smaller organisations to compete;
- which aspects of the programme would most benefit from voluntary and community sector involvement; and
- whether further guidance is needed to support distributors of Government funding and regional or local delivery agents, to ensure that they take on board the principles of this Code.

10. Programme design should also consider how the outcomes of the programme can best be sustained and contribute to long-term capability of voluntary and community organisations. This means making sure funding reflects the full cost of the service, including the legitimate portion of overhead costs (see Appendix D).

### Where to look for further information

- Guidance to Funders – chapter 3
- Think Smart ... Think Voluntary Sector – sections 7, 8 and 9
- Consultation and Policy Appraisal Code
- Better Policy Making
- Compact Community Groups Code – chapter 4
- Compact Black and Minority Ethnic (BME) Voluntary and Community

### Partnerships

Many programmes are delivered through local partnerships. The growth of partnership programmes has been accompanied by a requirement for effective voluntary and community sector participation. Successful partnership programmes maximise delivery by investing in the process. Contributing to the partnership process for voluntary and community organisations takes time and resources, especially for those organisations that lack dedicated policy staff. In developing partnership programmes Government should consider:

- (1) Funding – meeting the specific costs of involvement in a new programme from the outset, including resources for the voluntary and community sector’s infrastructure and capacity to keep pace with Government policy.
- (2) Consultation – consult early in the process and not just at the end.
- (3) Time – this should be adequate for both preparatory work and partnership building.

### Chapter (3): Application and tender process

1. This chapter covers the process of inviting, applying for and assessing grant applications and tender bids and giving notice of decisions.

#### What we are trying to achieve

2. A well managed application and tender process means that organizations best able to achieve the aims of a programme will apply. Well managed processes mean that resources are focussed on delivering outcomes rather than on the application or tender process itself.

#### The benefits for the voluntary and community sector

3. A well-managed application or tender process allows the voluntary and community sector to access opportunities to deliver. If organizations have enough time to apply they

will be able to make a well-informed and considered application or tender. They will also benefit from not having to spend disproportionate resources on application processes.

#### The benefits for Government

4. Government can know that the chosen organisation is the one best able to achieve the intended aims and that expenditure is focussed on achieving outcomes rather than the application process.

#### What the voluntary and community sector needs to do to achieve this

5. The sector needs to be aware of opportunities and should seek to understand the timescales and decision making process. When applying, voluntary and community organisations undertake to make sure that they are eligible; that their suggested work meets the aims of the programme; and that they understand the requirements.

6. The voluntary and community sector recognises that there are competing demands for public spending and that there may be more organisations applying than money available. The sector recognises that the final decision is the funder's. Voluntary and community organisations undertake to have clear lines of accountability, especially with joint bids and will properly allocate costs so that full cost recovery can be achieved (see Appendix D).

#### What Government needs to do to achieve this

7. Government should promote opportunities widely and consider proactive approaches to encourage organisations to apply or become suppliers. A proactive approach may be particularly important for voluntary and community organisations who may not have applied for funding in the past, including black and minority ethnic organisations, faith groups and community groups. Organisations should have enough time to respond, particularly to larger pieces of work or those involving joint working (for example, consortium bids).

8. Information and forms should be clear and accessible and include all relevant information so that voluntary and community organizations can make an informed decision about whether to apply. The process should be proportionate to the amount of money available. Departments and Agencies should consider using standard questions or seek to co-ordinate application forms.

9. Government undertakes to ask for information on application forms which is relevant to deciding who will receive funding or be awarded the contract. Forms should include a contact person for enquiries.

10. Assessment needs to recognise it is legitimate for voluntary and community organisations to include the relevant element of overhead costs in their estimates for providing a particular service. With procurement, voluntary and community organisations cannot be given preferential treatment but are entitled to decide their own price in competition. Contracts should be awarded on the basis of value for money. Purchasers

should avoid seeking information about management fees and overheads but do not have to accept bids if they are not satisfied that they offer value for money.

11. Applicants should be kept informed of the process. Notification of decisions need to be timely and give adequate notice in advance of the expected date of setting up provision. This should be at least three months for new programmes. Smaller organisations or those newer to delivery will need longer notice. Feedback on the reasons for decisions should be provided.

#### Where to look for further information

- Guidance to Funders – chapter 4 (Wider Funding Context)
- Think Smart ... Think Voluntary Sector – sections 7, 9, 10, 11, 12 and 13
- Getting Better Delivery
- Compact Community Groups Code
- Compact Black and Minority Ethnic Voluntary and Community

#### Chapter (4): Agreeing terms of delivery

1. This chapter is about agreeing outputs and outcomes and the appropriate designation of risk in funding agreements.

#### What we are trying to achieve

2. Effective terms of delivery assign risk in such a way that positive incentives are created, thereby ensuring that the best possible outcomes are achieved. The benefits for the voluntary and community sector

3. Effective terms of delivery give clear expectations of what is to be delivered and by when, so organisations can plan and deliver effectively. The sector benefits from having terms of delivery that are proportionate, thereby allowing a focus on the outputs or outcomes to be achieved. They also ensure the sector is responsible for the risks that it can manage.

#### The benefits for Government

4. Effective terms of delivery ensure that the best possible outcomes and outputs are achieved for the amount given. Risks need to be recognized and understood, agreed, and placed with the public sector body or voluntary and community organisation best able to manage them. Effective terms of delivery also contribute towards developing an effective working relationship with the funded organisation.

### What the voluntary and community sector needs to do to achieve this

5. Voluntary and community organisations should seek to agree terms of delivery at the outset and be aware of the risks which they are responsible for, in particular, the risks associated with the delivery of outputs or outcomes.

6. The voluntary and community sector recognises it is legitimate for grant funders to ask for public recognition of their funding by funded organisations in appropriate circumstances.

### What Government needs to do to achieve this

7. The Government undertakes to explain and agree terms of delivery (such as success and performance criteria) with the voluntary and community organisation before the contract or funding agreement is entered into. This should include the actions that will be taken if the voluntary and community organisation is failing to deliver. Departments and Agencies should be sensitive to the impact which changes in the contract can have. They should ensure that there is a simple and preagreed process for controlling change and that account is taken of comments from the voluntary and community organisation on the changes required.

8. The Government undertakes to discuss risks up-front and place responsibility with the public sector body or voluntary and community organisation best able to manage them. In particular, Government should consider and address the risks associated with the demand for a particular service.

9. Intended outcomes should be kept in mind and conditions must relate to achieving these outcomes. Terms of delivery should be broadly consistent across Government and in proportion to the size of the grant or contract.

### Where to look for further information

- Guidance to Funders – chapter 2, page 15 (“Bringing It All Together”)
- Think Smart ... Think Voluntary Sector – section 17
- Good Grant Making Practice
- Managing Risks with Delivery Partners

### Chapter (5): Agreeing payment terms

1. This chapter is about the arrangements for the payment of grants or for work under contract.

What we are trying to achieve

2. Payment terms that allow the service to be funded in the most effective way so that the best possible long-term outcomes are achieved. The benefits for the voluntary and community sector

3. The sector benefits by being able to deliver the best possible service for beneficiaries. It also allows them to plan and develop for the future so they can improve the way they deliver services.

#### The benefits for Government

4. Government benefits from payment terms that enable organisations to develop, which in turn helps ensure there is a continued wide range of potential suppliers and helps develop effective working relationships. Sensible payment terms help the stability of voluntary and community organisations and create positive incentives to perform. What the voluntary and community sector needs to do to achieve this

5. The voluntary and community sector undertakes to have good systems in place to manage finances and funded projects, and account for them. Voluntary and community organisations should agree a clear understanding about payment terms, including the treatment of underspends in grants.

#### What Government needs to do to achieve this

6. Government will consider the timing of payments to create the right incentives for delivery. Government undertakes that payments to voluntary and community organisations can and should (where appropriate and necessary) be made in advance of expenditure, rather than in arrears, in order to achieve better value for money. Departments and Agencies should agree a clear understanding with the provider about the treatment of underspends in grants.

7. Government undertakes to implement longer term financial arrangements when these represent good value for money. Government has introduced three-year settlements for both

Departments and Local Authorities – the rationale for three-year settlements applies equally for voluntary and community organisations.

8. Departments and Agencies should make payments on time (in line with the Late Payment of Commercial Debts Act, which covers contracts, and the Better Payments Practice Code).

#### Where to look for further information

- Guidance to Funders – chapters 1, 2 and 3
- Think Smart ... Think Voluntary Sector – section 14
- Getting Better Delivery

- Better Payment Practice Code

## Chapter (6): Agreeing monitoring and reporting

1. This chapter is about ensuring that the voluntary and community organisation is delivering agreed outputs and contributing towards meeting intended outcomes within a process that allows resources to be focussed on frontline delivery.

### What we are trying to achieve

2. Effective monitoring focuses on outcomes, is proportionate and not burdensome, and ensures transparency about the use of funds and what they have achieved.

### The benefits for the voluntary and community sector

3. The voluntary and community sector benefits from a focus on outcomes rather than spending time on unnecessary reporting. Good management information allows the provider to respond to changes or problems and to build a trusting relationship with the funder or purchaser.

### The benefits for Government

4. Government benefits from assurance that it is getting value for money from its expenditure. Government also benefits from a good relationship with the voluntary and community organisation. A good relationship with effective agreed monitoring will help make sure information is shared at an early stage if there are changes or problems. Monitoring and reporting also provides information that is useful for the planning and development of public policy, drawing on evidence from existing or past programmes.

### What the voluntary and community sector needs to do to achieve this

5. The voluntary and community sector undertakes to be honest and transparent in reporting. It recognises that public accountability inevitably requires some level of reporting. Voluntary and community organisations will give early notice of budget and delivery progress (for example, if there are likely to be underspends in grants).

### What Government needs to do to achieve this

6. Government undertakes to be proportionate (to size of funding, size of provider and perceived risk) in monitoring requirements and to focus on outcomes.

7. Government will consider joining-up or standardising monitoring requirements so organisations that receive funding from a number of sources, and funders themselves, are not overburdened. Monitoring should only include information that is needed or will be used to assess performance. Before the grant agreement or contract is signed, Departments and Agencies should discuss with the provider the information that will be required.



Discussion will also help in agreeing how to monitor outcomes. Departments and Agencies should consider what to do if there is likely to be a failure to meet delivery targets and how intended outcomes might be met in other ways.

#### Where to look for further information

- Guidance to Funders – chapter 4
- Think Smart ... Think Voluntary Sector – section 17
- Getting Better Delivery
- Good Grant Making Practice

#### Chapter (7): Concluding a financial relationship

1. This chapter is about managing the conclusion of a financial relationship. It includes when:

- the grant or contract finishes;
- funding ends earlier than the intended closure where delivery targets are not met; and
- funding ends as a result of a review of strategic or development funding.

#### What we are trying to achieve

2. A well managed process minimises negative impact on beneficiaries, the provider organisation's long-term stability and the relationship between the funder and the organisations receiving funding.

#### The benefits for the voluntary and community sector

3. A well managed process minimises the impact of the conclusion of a financial relationship and helps organisations to prepare contingency plans and identify potential alternative income. This will enable beneficiaries' needs to be met and ensure that organisations adhere to their duties as good employers (for example, by giving adequate redundancy periods). A well managed process will also support the long-term stability and sustainability of organisations.

#### The benefits for Government

4. Government benefits from minimising any potential impact on beneficiaries. Government also benefits from maintaining good working relations with voluntary and community organisations so that they can continue to have a constructive relationship beyond the particulars of the grant or contract. The long-term stability of the sector benefits Government in that voluntary and community organisations can continue to make an effective contribution to the achievement of public policy objectives.

### What the voluntary and community sector needs to do to achieve this

5. The voluntary and community sector recognises that funding may end as priorities change or if outcomes are not delivered. The sector undertakes to plan in good time for different situations to reduce any potential negative impact on both beneficiaries and the organisation.

### What Government needs to do to achieve this

6. Government undertakes to give enough notice of the end of grants or contracts. This should be a minimum of three months. This helps voluntary and community organisations fulfill their duties as good employers and prepare alternative plans. Notices will give the reasons for the end of the funding agreement or contract and allow the provider organisation to respond to proposals to change or end an arrangement.

7. If a voluntary and community organisation is not meeting targets, Departments and Agencies should first discuss with the organization what action can be taken to improve delivery (for example, the possibility of a revised action plan). Should performance not improve and the effective use of public funding be at risk, it is legitimate for funding to be withdrawn or the contract terminated early. Departments and Agencies should consider how the original outcomes might alternatively be met.

### Where to look for further information

- Guidance to Funders – chapter 4
- Think Smart ... Think Voluntary Sector
- Compact Black and Minority Ethnic Voluntary and Community

### Chapter (8): Taking the Code forward

1. The voluntary and community sector's Compact Working Group will put this Code into practice in partnership with Government. The Code applies to voluntary and community organisations in England<sup>1</sup> as recipients of Government funding and payments for the delivery of services. The Compact Working Group will promote the Code to voluntary and community organisations so that they know, use, understand and follow its undertakings and recommendations.

2. The Code applies in England to all central Government Departments; 'Next Steps' Executive Agencies; Non Departmental Public Bodies; Government Offices for the Regions; Regional Development Agencies; National Lottery distributors; and agencies contracted to distribute Government funds to the voluntary and community sector. Departmental Compact champions and voluntary and community sector liaison officers will advance the Code in Government. Government will promote this Code as good practice for all funders and make suitable mention of it alongside the Compact and Local Compacts in relevant publications and communications.

3. Local government and local public sector bodies are expected to take appropriate notice of the principles of this Code as recommended best practice in their work. This Code should inform the development and implementation of Local Compacts (through local codes of good practice on funding and procurement).

4. The Compact Annual Review Meeting will review progress on use and implementation of the Code. This will draw on Departments' own reporting for the meeting and the survey of the voluntary and community sector carried out by the Compact Working Group. The Compact Annual Review meeting agrees the Joint Action Plan for the Compact. This sets out targets to achieve full implementation of the Compact and Code in Government and the sector. Copies of the Annual Report and Action Plan are available from the Active Communities Directorate in the Home Office ([www.activecommunities.homeoffice.gov.uk](http://www.activecommunities.homeoffice.gov.uk)) or the Compact Working Group ([www.thecompact.org.uk](http://www.thecompact.org.uk)). A key implementation test for the voluntary and community sector will be awareness of the Compact and Code, reported through the Compact Working Group's Annual Sector Survey. The 2004/2005 Compact Action Plan calls on Departments to report on implementing good practice in funding and procurement. The Home Office's State of the Sector Panel will also report on evidence of improvements in funding and procurement practice.

1 and 2 Separate Compacts apply in Wales, Scotland and Northern Ireland.

5. The Compact sets out a general framework for improving the relationship between Government and the voluntary and community sector. As far as possible, disagreements over the application of that framework should be resolved by both sides. To assist this process, if both sides agree, mediation may be a useful way to try to reach agreement, in line with the Government's commitment to use alternative dispute resolution methods. The Compact Mediation Scheme is available to help in these situations. Where behaviour which contravenes this framework constitutes maladministration, a complaint may be brought to the Parliamentary Ombudsman in the usual way. Cases involving Local Government may be referred to the Local Government Ombudsman.

## APPENDIX I: RULES THAT GOVERN CONTRACTING AND PAYMENTS

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### EXHIBIT 1: NATIONAL FOUNDATION OF CIVIL SOCIETY, PROCEDURES FOR ANNOUNCING OPEN CALLS, PROCEEDING APPLICATIONS AND “GOOD IDEA” PROJECTS, DISCLOSING AND MONITORING THE IMPLEMENTATION OF THE GRANT – ESTONIA

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#### Article (6): Executing, Modifying and Ending the Implementation Contract and Repayment of the Grant

1. The Executing Organisation implements the project according to the conditions and responsibilities stipulated in the implementation contract and in accordance with the submitted application and budget. Implementation contract stipulates the operating rules of the Executing Organisation on the basis of the present regulation and open call or „Good Idea” contest conditions. Substantial changes in the implementation plan or budget which are not harmonized with the NFCS bureau will alter the corresponding expenses non-eligible.
  
2. In case during the implementation of the project it appears that it would be rational to make substantial amendments in the implementation plan or budget of the fixed implementation contract the implementer of the project must submit corresponding justified application and updated implementation plan and/ or budget to the NFCS bureau with an e-mail **kysk@kysk.ee**. NFCS bureau will review the application in ten working days and in case the applied amendments are approved - an annex to the implementation contract concerning the updated implementation plan and/ or budget which the applicant submitted and signed will be compiled. Should the NFCS refuse, the applicant will receive digitally signed justified answer with an e-mail after which the Executing Organisation has a right to apply premature ending of the contract in ten working days.
  
3. Each time an amendment comprises a change of one or more expense group in the budget more than 10% the Executing Organisation has a liability to apply for compiling of a new annex to the contract for confirming the updated implementation plan and/ or budget.
  
4. The goal of the NFCS is to enhance the operating (including financial) capacity of supported organisations. Resulting from this, in case of deviations while implementing the project the NFCS together with its partners tries to find solutions which assure the continuation of the project implementation in accordance with the laws and present regulation and also with requirements set for open calls or for the „Good Idea” contest. For eliminating shortcomings found by the Executing Organisation while implementing the project NFCS will provide a deadline. Timely elimination of shortcomings and further correct activities by the Executing Organisation enables NFCS the continuation of the financial support.

5. NFCS will request partial or full repayment of the grant if the Executing Organisation has substantially breached the contract, regulation concerning using the grant and terms and conditions of the open call and ignores the requirements of NFCS to eliminate the shortcomings. The basis for the grant repayment system will be stipulated in the implementation contract.

Article (7): Reporting, Monitoring, Controlling and Evaluation of the Implementation of the Grant

1. Generally, NFCS does not require the Executing Organisation to submit copies of original documents when presenting project and financial reports to the NFCS bureau.

2. The Executing Organisations will organize the project and financial reporting on the course of project implementation through which they can prove that the activities were implemented according to the planned schedule and volume and that the grant was used according to the budget.

1. The Executing Organisation must maintain documents proving the implementation work of the project and original financial documents;

2. The Executing Organisations must submit interim reports and project final reports together with the bank statements according to the NFCS forms on deadlines fixed in the implementation contract to the NFCS bureau. Statement forms will be sent to project implementers by e-mail in ten working days after signing the contract.

3. Evaluation, monitoring and controlling of the implementation of the grant include communication with the Executing Organisation (including communication by phone or by e-mail in order to get information concerning the course of project implementation), site visits (including participation in events related to the project), submission of interim reports and project final reports on forms approved by the Executive Director of NFCS and controlling of them and controlling of project course and documentation confirming it.

4. The Executing Organisation is obliged to let NFCS bureau, members of the NFCS Supervisory Board and representatives of the Ministry of the Interior and Ministry of Finance to evaluate, monitor and control the NFCS financed projects.

5. Employees of the NFCS bureau make site visits concerning controlling of the implementation of projects regularly and participate in project events with the same goal. All inspections will be formalized on the project control-sheet approved by the Executive Director of NFCS which is opened after signing the implementation contract. Project control-sheet states the inspector's observations from the site visit, current project implementation situation during the communication (if needed a reference to the e-mail will be made), inspection results of interim reports and project final reports and if needed deadlines for eliminating shortcomings. An e-mail concerning shortcomings discovered at the inspection and deadlines for eliminating them will be sent to the project manager who will assure the timely elimination of the shortcomings and notify the NFCS bureau about it with an e-mail.

6. The Program Manager and the Program Coordinator in the NFCS bureau will check the project report and its correspondence to the implementation plan and budget and correspondence to the present regulation and open call requirements. The Chief Accountant of NFCS will check the validity and legitimacy of the financial transactions reflected in the financial reports. In case there is a need the employees of NFCS will ask project managers and/ or accountants and/ or members of board additional explanations and conduct spot checks at organisations who received the grant in order to be convinced in the completeness and correctness of the project's original financial documents and reports. Should the reports be correct, the inspectors will sign the payment request submitted together with the report which will then be signed by the Executive Director of NFCS in order to transfer the grant.

7. In case employees of NFCS discover substantial shortcomings or mistakes in the reports or the reports are not sufficiently comprehensive, the organisation who received the grant may be asked to submit copies of original and other documents regarding project implementation and financial activities and also additional written explanations and evidence of the Executing Organisation in addition to the reports provided in the reporting forms.

8. For conducting evaluation, monitoring and controlling NFCS has a right to::

1. Conduct checkings and audits regarding financial documents, procured equipment, materials and activities executed. NFCS will notify the Executing Organisation about conducting an audit by e-mail five calendar days in advance.

2. Carry through other activities related to controlling the purposeful implementation of the grant.

## APPENDIX J: EVALUATING INSTITUTIONAL STRATEGY

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### EXHIBIT 1: NATIONAL FOUNDATION OF CIVIL SOCIETY, PRINCIPLES OF ASSESSMENT – ESTONIA

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National Foundation of Civil Society (NFCS) is a tool of funding that supports the establishment of a favourable environment for civil society and the increase of operational capacity of civil society organisations in Estonia. The Board and the Head of NFCS follow the principles of assessment in order to evaluate their activities and general influence, and act in the name of achieving better operation and stronger influence. The assessment activities are planned into the action plan and budget of NFCS and they are reflected in the reporting.

#### Article (I): Strategic assessment – influence of NFCS activities – correctness and productivity of actions

##### To be assessed:

- Ability of NFCS to meet the changing requirements of the environment;
- Logical link between the mission, goals and programmes of NFCS;
- Influence of NFCS programmes;
- Ability of NFCS to meet the needs of non-profit associations with regard to its operational capacity;
- Public reputation of NFCS.

##### Criteria for strategic assessment

- The ability of NFCS to meet the changing requirements of the environment as well as the link between the mission, goals and programmes shall be assessed by the Board of NFCS qualitatively through analysis and discussion.
- The influence of NFCS programmes and their accordance to the mission and goals shall be assessed by the Board of NFCS qualitatively through analysis and discussion as well as random monitoring of the funded organisations in 3-5 years after the support.
- The ability of NFCS to meet the needs of non-profit associations with regard to its operational capacity shall be assessed:
  - By the result indicators of the activities of NFCS belonging also to the field of activities of the Estonian Civil Society Development Concept and the Development Plan for Civic Initiative Support;

- Through the existence of thematic advocacy organisations;
  - Through the capacity of advocacy organisations to shape legislation and policies;
  - Through the analysis of the content of organised application rounds and the submitted applications for funding;
  - Through the dynamics of employment of the non-profit associations and foundations (payment of social tax);
  - Through the dynamics of the number of members in organisations;
  - Through the trust of people towards civil society organisations;
  - Through the increase of civic initiative by participating in non-institutional civic initiatives;
  - By random monitoring of the vitality and development of the funded organisations in 3-5 years after the support.
- The public reputation of NFCS shall be assessed by:
    - How often the opinion of NFCS is asked for and taken into consideration; the extent of participation in civil society workshops, commissions, etc.;
    - Existence of partnership with significant civil society organisations and public institutions;
    - Dynamics of the number of submitted applications;
    - Presence of public criticism and the related reaction;
    - Awareness of different target groups about NFCS that is assessed by regular polls;
    - Trust of different target groups (general public, non-profit associations, politicians, etc.) towards NFCS that is assessed by public opinion polls and feedback questionnaires.

#### Arrangement of strategic assessment

The main assessor is the Board of NFCS. Assessment takes place once a year at the reporting meeting of the Board. The bases for assessment are annual report and financial statement of NFCS, auditor's report, conclusions of conducted analyses and media monitoring as well as the analysis of the Head of NFCS regarding the activities of NFCS.



## Article (II): Tactical assessment – efficiency of NFCS activities – right way of operation

### To be assessed:

- Administration and functioning of NFCS;
- Purposeful use of financial resources;
- Efficiency of NFCS programmes in terms of activity results and financial, temporal and labour costs;
- Satisfaction of the organisations applying for funding with the activities of NFCS;
- Accountability and readiness for reporting.

### Criteria for tactical assessment

- Administration and functioning of NFCS:
  - Job descriptions of employees and other necessary internal documents are existing and applied;
  - Employees are satisfied;
  - Partners who are not fair, law-abiding and ethical are avoided;
  - Activities prevent conflicts of interest, corruption and bribery.
- Access of target groups to the financial resources of NFCS:
  - Arrangement of informing;
  - Clearness and concreteness of application documents.
- Efficiency of NFCS programmes in terms of activity results and financial, temporal and labour costs:
  - Percentage of operational costs out of the used resources;
  - Number of funded organisations, geographical location and achieved influence;
  - Number of supported innovative initiatives and their influence;
  - Arranged support activities and number of participants thereof;
  - Participation in external events and the number of presentations;
  - Correctness of budgets;

- Accordance with the action plan and planned resources.
- Satisfaction of the organisations applying for funding with the activities of NFCS:
  - Feedback of the organisations that have applied for funding.
- Accountability of NFCS, readiness for reporting and purposeful use of resources:
  - Arrangement and implementation of auditing;
  - Transparency of NFCS and availability of relevant information;
  - Regular compiling of reports and submitting thereof to supervising institutions;
  - Publication of reports.

#### Arrangement of tactical assessment

Tactical assessment shall be arranged by the Board and the Head of NFCS proceeding from the following:

- Existence of NFCS internal documentation, the analysis of which is arranged by auditing committee and auditor.
- Clearness of NFCS programmes, application rounds and application forms as well as availability of information that is assessed through the feedback of applicants and target groups.
- Arrangement and results of internal and external auditing of the economic and financial activities.
- Easily accessible and user-friendly information at the NFCS website that is constantly analysed.
- Satisfaction of applicants. Implementation of the values defined in the strategy, flexibility of NFCS and suitability of its programmes, accordance with the needs of civil society and civil society organisations, openness of NFCS and availability of information, easy application process, speed of services and credibility are analysed.
- Feedback of the Board and the Ministry of Internal Affairs to the activity report, budget and auditor's report.

#### Article (III): Assessment of programmes

- Purposeful use of financial resources by applicants.
- Influence of the projects of funded organisations.

- Influence of the supported initiatives.
- Implementation of the researches and analyses with regard to civil society that are initiated and supported by NFCS and the influence of support activities.

Assessment shall be the following:

Analytical final report shall be compiled about the application round on the basis of interim reports submitted by applicants, periodical reports, on-site observations and final reports, reports on the supported initiatives, implementation of the ordered researches, conclusions and analyses of the arranged support activities.

IV Assessment of NFCS personnel

- Analysis of the Board members of NFCS and their contribution.
- Analysis of the personnel of NFCS and their quality of work.
- Analysis of the experts of NFCS and their quality of work.

Assessment shall be the following:

Chairman of the Board as the executor of the founder's rights shall be assessed by the Head and the Board of NFCS proceeding from the Statute of NFCS and other internal documents.

Assessment of the personnel of NFCS shall be arranged by the Head of NFCS proceeding from the competence of personnel, job descriptions and quality of work.

Assessment of the experts of NFCS shall be arranged by the Head and the Board of NFCS proceeding from their competence, quality of work, personality and feedback of the applicant organisations.

