CHARITY TRANSPARENCY Framework

Background

The Charity Council mooted the idea of a transparency framework in 2013 to improve the governance and accountability in the charity sector. This plan was announced by Mr Lawrence Wong, Minister for Culture, Community and Youth at the inaugural Charity Governance Conference in February 2014.

Following the Minister's announcement, close to 200 representatives from charities, professional agencies, corporate donors and grantmakers were consulted through several dialogue sessions. The suggestions and feedback from the stakeholders were carefully considered, and the Charity Council eventually made the decision to roll out the framework in the form of a scorecard for charities' self-assessment purposes in the first few years. The longer term plan is to use the scorecard for the purpose of public rating when the sector is more ready.

bjectives of Charity Transparency Scorecard

- Helping charities enhance their disclosure and governance practices.
- Serving as a public education tool for charities and public by highlighting key areas of disclosure that will aid in informed giving.

Guiding Principles for Identifying Key Areas of Disclosure

- The Charity Transparency Scorecard should cover key aspects which allow the public to have a meaningful understanding of a charity's work and how well it is managed and governed so that they can make informed decisions on which charities to support.
- The disclosure requirements should not create unnecessary administrative burden for charities.

Charity Transparency Scorecard

- The Charity Transparency Scorecard is a tiered framework which takes into consideration the size of charities based on their gross annual receipts.
- Within the Scorecard, there are 9 dimensions highlighted as key areas for disclosure.
- These 9 dimensions are tailored and aligned with the Code of Governance.

These are the 9 key areas of disclosure that are strongly encouraged.
More details on the items under each area can be found in the Charity Transparency Scorecard.

Key Areas of Disclosure

The checklist covers 9 areas:

1 Board and Executive Management

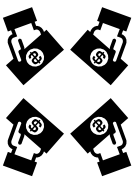
2 Strategic Direction and Programme Management

3 HR Management

4 Management of Conflict of Interest

5 Financial Management and Internal Control

6 Conduct of Fund-raising Activities



7 Auditor's Report

8 Timeliness of Disclosure

9 Other Commendable Areas

Charity Transparency Award – Recognising Charities for Disclosure Efforts

To encourage charities to be more transparent and to recognise charities for their disclosure efforts, a new category of awards will be introduced with effect from 2016.

- Charities will be assessed on a yearly basis using the tiered Charity Transparency Scorecard
- Charity Transparency Awards will be presented to winners from 2016 onwards

Eligibility Criteria for Charity Transparency Awards

To be eligible for the award selection, the organisation must:

- Be a registered charity and/or an Institution of a Public Character (IPC) which has been in operation in Singapore for at least three years;
- Have submitted their annual reports, financial statements and GECs for the two immediate preceding financial years; and
- Have gross annual receipts of not less than $50,000 in the immediate preceding financial year.

Exclusions

- Exempt charities and grantmakers that do not have IPC Status

However, if the exempt charities would like to be assessed for the purpose of the Awards, they may put up their request to the Charity Council Secretariat via email at Charity_Council_Sec@mccy.gov.sg.

Sources of Information

3 key sources of information will be used to ascertain the organisations' extent of disclosure in public domains. They are namely:

- Annual Reports, Financial Statements and Governance Evaluation Checklists (GECs) on the Charity Portal[1];
- Charities' official websites; and
- Facebook page (if the charity does not have an official website, and to get updates on fundraising activities and programmes).

Award Selection Procedure

The award selection process will commence in September each year:

- Organisations will be scored by a team of independent assessors based on the Charity Transparency Scorecard;
- Organisations will be shortlisted for the final judging round based on the scores; and
- The shortlisted organisations will undergo a round of deliberation and discussion among a panel of judges to reach consensus on the winners for the Charity Transparency Awards.
- All decisions of the judging panel are final. The scores of the charities will neither be released nor form part of the public record associated with the awards.

[1] Starting from 1 July 2015, the financial statements, annual reports and Governance Evaluation Checklists (GECs) will be available on the Charity Portal for the public's access.

Scoring Methodology

With the nine key areas for disclosure, the charities can be awarded a maximum of 115 points or 112 points depending on the charity's gross annual receipts.

Medium and Larger charities / IPCs

Gross Annual Receipts: $1 million or more

Maximum score attainable: 115 points (including 10 bonus points)

Small charities / IPCs

Gross Annual Receipts: Up to $1 million

Maximum score attainable: 112 points (including 10 bonus points)

For each item within the nine areas of disclosure, a maximum of 5 points is given if the charity provides comprehensive information on the Charity Portal/ its official website. However, if basic information is made available on public platforms, 3 points will be given.

Some items follow a 3-or-0 scoring system, instead of 5-or-0 scoring system. Examples include disclosure on the donation and loan policy whereby the maximum score is 3.

Disclaimer

The grant or non-grant of the Charity Transparency Awards ("the Awards") to any charity is not to be construed as the giving or making of any statement of endorsement, recommendation, representation, claim, advice or other statement by the Charity Council, the assessors or any other party administering, executing or connected with the Awards (collectively referred to as "the Organisers"), express or implied, in respect of the practices, conduct or any other aspect of such charity.

The Organisers are not responsible for and make no warranties as to the accuracy of the information provided by the charities and shall not be liable to any party who may suffer loss as a result of any reliance on the information or any act of the charities in any way. Interested parties should exercise due diligence in respect of their dealings with or conduct in relation to any participating or winning organisation.

The Organisers reserve the right to amend the terms of the Award at any time without any prior notice and shall not be liable to any participating charity or any other person in relation to any aspect of the Awards.

Below are illustrations of how the scoring will be done:

Allocation of maximum score of 3 points

Name: Mr ABC

Board Appointment: Chairman

Date of Appointment: 01.03.2008

In this example, only the name, appointment and date of appointment are provided. For this charity, they will receive a score of 3 points for meeting the basic disclosure requirement.

Allocation of maximum score of 5 points

Name: Mr ABC

Board Appointment: Chairman

Date of Appointment: 01.03.2008

Occupation: Director of DEF Consultancy Services

Roles of the Board: Board reviews and approves the annual budget prepared by the management.

In the scenario above, more information on this particular board member is disclosed and it is a practice that is strongly encouraged. The charity will receive 5 points for providing beyond basic information.

Bonus Points

The assessors have the flexibility to propose giving a maximum of 10 bonus points in two areas:

I. Bonus points for additional disclosure **within the scorecard**. Examples of additional disclosure items include:

- Disclosure that no staff sits on the board;
- Disclosure of policy for Board selection/recruitment, induction, training and evaluation of Board effectiveness;
- Disclosure of frequency and attendance at Committee meetings; or
- Disclosure of Board opinion of internal controls

II. Bonus points for additional disclosure **outside of the scorecard**. Examples of additional disclosure items include:

- Disclosure of Code of Conduct and whistle-blowing policy;
- Disclosure of risk management policy/ strategy (includes financial risk management);
- Disclosure of crisis management and business continuity plan;

The judging panel will have the final say in the award of the bonus points.

Computation of Scores

Case Study:

Charity ABC is a Medium-sized charity which has good governance practices in place, and relatively comprehensive information about them is provided in their annual report and official website.

They made publicly available disclosure of:

Items	Points attained
√ Board and Executive Management √ Strategic Direction and Programme Management √ HR Management √ Management of Conflict of Interests √ Financial Management and Control √ Auditor / Independent Examiner's Report √ Timeliness of Disclosure	**70 points**
√ Board members are not allowed to receive remuneration	If board members do not receive remuneration, **exclude 5 points from base score of 115 points.**
√ Charity ABC also does not conduct any fundraising activities	If charity does not conduct any fundraising activities, **exclude 10 points from base score of 115 points.**

- Raw score attained: 70 points
- Base Score (adjusted for non-applicable items, i.e. item on board remuneration and section on fundraising): 105 points - 5 - 10 = 90 points

Total = 77.7% (70 points out of base score of 90 points)

* The judging panel will have the final say to award a maximum of 10 bonus points in addition to the raw score achieved.

Frequently Asked Questions

1. There is already a Code of Governance for Charities and Institutions of a Public Character, why do we need a transparency framework?

The Charity Transparency Framework aims to achieve 2 key objectives:

- Helping charities enhance their disclosure and governance practices
- Serving as a public education tool for charities and public by highlighting key areas of disclosure that will aid in informed giving

As transparency is a subset of governance, the Charity Council wants to encourage charities to enhance their accountability and transparency, apart from implementing good governance practices. The new Transparency Scorecard will serve as a guide for charities to disclose key aspects of information so that the public and donors could have a meaningful understanding of their work and how well managed and governed they are, and make informed giving decisions.

2. Where should we disclose information about our charity?

Our assessors will use the Charity Transparency Scorecard to assess charities' extent of disclosure on various platforms namely Charity Portal, official websites and Facebook page (if any). However, this should not limit charities from using other platforms to disseminate information that is useful for the public's knowledge.

3. How will our charity be assessed?

An independent team of assessors who are trained in either finance or accountancy will conduct the first round of assessment based on the Charity Transparency Scorecard. Points will be given based on the extent of disclosure of good governance practices that the assessors are able to easily access through the various sources.

- No disclosure or charity discloses a lack of governance practices : 0 points
- Basic disclosure : 3 points
- Beyond basic disclosure : 5 points

There are also a maximum of 10 bonus points awarded to encourage best practices. Shortlisted charities will proceed to a second round of assessment where a judging panel consisting of professionals from different sectors will review the finalists to select the deserving winners for the Charity Transparency Award.

4. Will our scores be made publicly available?

The scores of charities will be kept strictly confidential. Charities which are keen to find out how they have fared in terms of disclosure practices can conduct a self-assessment using the Charity Transparency Scorecard.

5. Can my charity opt out of the assessment exercise?

Charities which do not wish to be assessed by our team of assessors could inform the Charity Council Secretariat about their request via email at Charity_Council_Sec@mccy.gov.sg. However, charities may wish to note that the assessment outcomes will be kept strictly confidential, and those with exemplary disclosure practices will be recognised through the Charity Transparency Awards.

We encourage charities not to opt out of the assessment exercise as it allows the Charity Council to take stock of the state of governance and disclosure practices in the charity sector. Apart from recognising charities through the new transparency awards, the Council will also be reaching out to the weaker players to help them to level up in terms of governance, accountability and transparency.

6. Will the assessment exercise disadvantage smaller charities?

The Charity Council recognises that our charities differ greatly in size, and hence there should not be a one-size-fits-all framework to assess their level of disclosure. With this in mind, the Charity Transparency Scorecard was tiered to cater for small charities (with gross annual receipts of not more than $1 million) versus medium /large charities (with gross annual receipts of more than $1 million). In addition, charities with gross annual receipts of less than $50,000 will be exempted from the assessment as the Council wants them to focus on strengthening their governance first.

***

For any other enquiries or feedback on the Charity Transparency Framework, please email the Charity Council Secretariat at Charity_Council_Sec@mccy.gov.sg

CHARITY TRANSPARENCY Scorecard

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
A. Board and Executive Management (Max = 22 points)					
1.	Disclosure of Information on the Board *(Max = 8 points)*	☐ No disclosure	☐ **Basic** 1. Name 2. Board Appointment 3. Date of Appointment *(Note : Points will be awarded only if staff comprises less than one third of the board)*	☐ **Basic** 1. Name 2. Board Appointment 3. Date of Appointment *(Note : Points will be awarded only if staff comprises less than one third of the board)* **Beyond Basic** 4. Occupation/ Experience working with charities and corporates 5. Roles and Responsibilities/ Matters requiring Board Approval	☐ No staff sits on the board ☐ Disclosure of frequency and attendance at Board meetings (note: shows how active the board is) ☐ Disclosure of policy for Board selection and recruitment, induction, training and evaluation of Board effectiveness.

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
A. Board and Executive Management (Max = 22 points)					
2.	Disclosure of Information on Executive Management *(Max = 5 points)*	☐ No disclosure	☐ **Basic** 1. Name 2. Designation 3. Organisation Structure	☐ **Basic** 1. Name 2. Designation 3. Organisation Structure **Beyond Basic** 4. Date of Appointment (For CEOs/ EDs /CFOs) 5. Past Job Experience (For CEOs/ ED /CFOs)	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
A. Board and Executive Management (Max = 22 points)					
3.	Disclosure of Information on Committees (or designated board members) which oversee specific areas *(Max = 6 points)*	☐ No disclosure ☐ Charity discloses that there are no committees (or designated Board members) to oversee specific areas.	☐ **Basic** 1. Name 2. Committee(s)/ Areas which designated boards are in charge of 3. Appointment in Committee(s)	☐ **Basic** 1. Name 2. Committee(s)/ Areas which designated boards are in charge of 3. Appointment in Committee(s) **Beyond Basic** 4. Terms of Reference	☐ Disclosure of frequency and attendance at Committee meetings
4.	Disclosure of term limit for the Treasurer (or equivalent e.g. Finance Committee Chairman) *(Max = 3 points)*	☐ No disclosure ☐ Charity discloses that there is no maximum limit for the Treasurer (or equivalent e.g. Finance Committee Chairman)	☐ **Basic** Maximum limit of 4 consecutive years or less	**Not Applicable**	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
B. Strategic Direction and Programme Management (Max = 15 points)					
5.	Disclosure of Strategic Direction *(Max = 5 points)*	☐ No disclosure	☐ **Basic** 1. Objects / Mission 2. Vision	☐ **Basic** 1. Objects / Mission 2. Vision **Beyond Basic** 3. Strategy/ Strategic Thrusts 4. Core Values	
6.	Disclosure of Programmes, Activities and Services *(Max = 5 points)*	☐ No disclosure	☐ **Basic** General information about programmes, activities and services	☐ **Beyond Basic** **Up-to-date and/or detailed** information on programmes, activities and services (e.g. regular update on website, Facebook)	
7.	Disclosure of Outcomes / Effectiveness of Programmes and Services *(Max = 5 points)*	☐ No disclosure ☐ Charity discloses that it does not track/ evaluate the performance of its programmes and services	☐ **Basic** Disclosure of basic statistics about the beneficiaries	☐ **Beyond Basic** Analysis and commentary on the effectiveness of the programmes and services, with detailed statistics provided.	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
C. HR Management (Max = 8 points)					
Does staff receive remuneration? If no, skip Q9/Q9b and exclude 5 points from the base score.					
8.	**For Medium and Large Charities and/ or IPCs** Disclosure of how staff performance is reviewed and assessed *(Max = 3 points)*	☐ No Disclosure ☐ Charity discloses that it does not have a performance review and staff appraisal system	☐ Yes	**Not Applicable**	
9.	**For Medium and Large Charities and/ or IPCs** Disclosure of annual remuneration of 3 highest paid staff who each receives more than $100,000, in bands of $100,000 *(Max = 5 points)*	☐ No disclosure	☐ **Basic** Discloses the annual remuneration of 3 highest paid staff who each receives more than $100,000, **in bands of $100,000**	☐ **Beyond Basic** Disclose **exact** annual remuneration of 3 highest paid staff who each receives more than $100,000	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
C. HR Management (Max = 8 points)					
9b.	For Small Charities and/ or IPCs Disclosure of annual remuneration of 3 highest paid staff who each receives more than $100,000, in bands of $100,000 *(Max = 5 points)*	☐ No Disclosure	☐ **Basic** Discloses the number of staff who each receives more than $100,000	☐ **Beyond Basic** Discloses the annual remuneration of *3 highest paid staff* who each receives more than $100,000, **in bands of $100,000 (or narrower bands)**	
D. Management of Conflict of Interests (Max = 20 points)					
Do board members receive remuneration (as indicated in Q10)? If no, skip Q11 and exclude 5 points from the base score.					
10.	**For Medium and Large Charities and / or IPCs** Disclosure of exact remuneration and benefits received by each Board member (if the governing instrument permits remuneration) OR Disclosure of the fact that its governing instrument does not permit remuneration / Disclosure of the fact that board members do not receive remuneration *(Max = 5 points)*	☐ No disclosure ☐ No disclosure	**Not Applicable** **Not Applicable**	☐ Yes ☐ Yes	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
10b.	**For Small Charities and / or IPCs** Disclosure of remuneration and benefits received by each Board member (if the governing instrument permits remuneration) OR Disclosure of the fact that its governing instrument does not permit remuneration / Disclosure of the fact that board members do not receive remuneration *(Max = 5 points)*	☐ No Disclosure ☐ No Disclosure	☐ **Basic** Discloses remuneration and benefits received by each Board member, **in bands** Not Applicable	☐ **Beyond Basic** Discloses **exact remuneration** and benefits received by each Board member ☐ Yes	
11.	Disclosure of how remuneration of board members is set (if the governing instrument allows the board to be remunerated) *(Max = 5 points)*	☐ No disclosure ☐ Charity discloses that a board member sets his or her own remuneration	**Not Applicable**	☐ Yes	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
D. Management of Conflict of Interests (Max = 20 points)					
12.	Disclosure of parties involved in setting remuneration of key staff OR Disclosure of the fact that its staff does not receive remuneration *(Max = 5 points)*	☐ No disclosure ☐ No disclosure	**Not Applicable** **Not Applicable**	☐ Yes ☐ Yes	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
D. Management of Conflict of Interests (Max = 20 points)					
13.	Disclosure of policy for managing conflict of interest *(Max = 5 points)*	☐ No Disclosure ☐ Charity discloses that it **does not have a policy** for managing conflict of interests	**Not Applicable**	☐ Yes **Required Disclosure** 1. Documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board on a regular basis and when the need arises 2. Special procedures to deal with the conflict of interest when Board members have any interest in business transactions or contract that the charity may enter into, any interest in other organisations that the charity has dealings with or is considering entering into joint ventures, any interest as the charity's suppliers, clients, beneficiaries, staff.	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
E. Financial Management and Internal Control (Max = 27 points)					
14.	Disclosure of internal control systems for financial matters in key areas (e.g. procurement, payment, receipting and budget planning) *(Max = 6 points)*	☐ No Disclosure ☐ Charity discloses that it does not have an internal control system for the key areas of financial matters	☐ **Basic** 1. Discloses that documented procedures are in place for financial matters in key areas (e.g. procurement, payment, receipting and budget planning)	☐ **Basic** 1. Discloses that documented procedures are in place for financial matters in key areas (e.g. procurement, payment, receipting and budget planning) **Beyond Basic** 2. Discloses that reviews are conducted on the charity's controls, processes etc.	☐ Disclosure of Board opinion of internal controls

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
E. Financial Management and Internal Control (Max = 27 points)					
15.	Disclosure of policy for making loans OR Disclosure of the fact that it does not make loans *(Max = 3 points)*	☐ No Disclosure ☐ Charity discloses that it makes loans but it does not have a loan policy No Disclosure	☐ Yes **Required Disclosure** 1. Conditions for making loans 2. Approval authority 3. Disclosure requirements for the loans made 4. Indication that loans are made to related parties. ☐ Yes	☐ **Not Applicable** **Not Applicable**	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
E. Financial Management and Internal Control (Max = 27 points)					
16.	Disclosure of policy for making donations to external parties (e.g. another charity or charitable cause) OR Disclosure of the fact that it does not make donations to external parties *(Max = 3 points)*	☐ No Disclosure ☐ Charity Discloses that it makes donations to external parties but it does not have a policy No Disclosure	☐ Yes **Required Disclosure** 1. Approval authority 2. Disclosure requirements for the donations made 3. Indications that donations are made to related parties. ☐ Yes	**Not Applicable** **Not Applicable**	
Does the charity have more than one year's reserves? If no, skip Q17 to Q19, and exclude 15 points from the base score.					
17.	Disclosure of reserves position and policy *(Max = 5 points)*	☐ No Disclosure ☐ Charity discloses that it does not have a reserves policy	☐ **Basic** 1. Level and Purpose of Reserves 2. Level and Purposes of Designated Funds 3. When the Designated Funds are likely to be used	☐ **Basic** 1. Level and Purpose of Reserves 2. Level and Purposes of Designated Funds 3. When the Designated Funds are likely to be used **Beyond Basic** 4. Reserves Ratio	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
Does the charity have restricted and endowment funds? If no, skip Q18, and exclude 5 points from the base score.					
18.	Disclosure of the purpose, amount and planned timing of use for restricted funds (including endowment funds). *(Max = 5 points)*	☐ No Disclosure	**Not Applicable**	☐ Yes **Required Disclosure** 1. Purpose and Amount of funds 2. Planned timing of use	
Does the charity have reserves that are invested? If no, skip Q19, and exclude 5 points from the base score.					
19.	Disclosure of investment policy if the charity invests its reserves *(Max = 5 points)*	☐ No Disclosure ☐ Charity discloses that reserves are invested but there is no investment policy	☐ **Basic** 1. Approving Authority 2. Type of financial Instruments approved by the Board	☐ **Basic** 1. Approving Authority 2. Type of financial Instruments approved by the Board **Beyond Basic** 3. Guiding principles (e.g. to generate returns while protecting capital, statutory compliance)	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
F. Conduct of Fundraising Activities (Max = 10 points)					
Does the charity conduct fundraising activities? If no, skip Q20 and Q21, and exclude 10 points from the base score.					
20.	Disclosure of information about past fundraising activities *(Max = 5 points)*	☐ No Disclosure	☐ **Basic** 1. List of fundraising activities conducted (Date & Location) 2. Total gross receipts from the fundraising activities 3. Total expenses incurred in the fundraising activities 4. Purpose for which the funds have been used / will be used 5. Use of commercial fundraisers (if any)	☐ **Basic** 1. List of fundraising activities conducted (Date & Location) 2. Total gross receipts from the fundraising activities 3. Total expenses incurred in the fundraising activities 4. Purpose for which the funds have been used/ will be used 5. Use of commercial fundraisers (if any) **Beyond Basic** 6. Fundraising efficiency ratio 7. Rationale behind the use of commercial fundraisers (if applicable) 8. Fee arrangements with commercial fundraisers (if applicable)	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
F. Conduct of Fundraising Activities (Max = 10 points)					
Does the charity have any on-going fundraising activities during reference period? If no, exclude 5 points from the base score.					
21.	Disclosure of information about **on-going** fundraising activities on charity's official website and / or Facebook page *(Max = 5 points)*	☐ No Disclosure	**Not Applicable**	☐ **Required Disclosure** 1. Date and location of fundraising activity / activities 2. Fundraising Target 3. Purpose for which the funds will be used	
G. Auditor / Independent Examiner's Report (Max = 5 points)					
22.	Disclosure of financial statements which include: • auditors'/ independent examiners' opinion on whether the financial statements are properly drawn up in accordance with the relevant provisions; and • report on other legal and regulatory requirements *(Max = 5 points)*	☐ Auditor included an "Emphasis of Matter" that **includes an adverse impact on the financial statements**	☐ Auditor included an "Emphasis of Matter" in the report that **does not have an adverse impact on the financial statements**	☐ The auditor expressed an unqualified opinion in the report	

S/N	ITEM	EXTENT OF DISCLOSURE			
		0 POINT (No Information Provided/ Lack of Practice)	**3 POINTS** (Basic Information Provided)	**5 POINTS** (Beyond Basic Information Provided)	**BONUS POINTS**
H. Timeliness of Disclosure (Max = 3 points)					
23.	Annual returns (i.e. annual reports, financial statements and Governance Evaluation Checklists) are submitted to the office of Commissioner of Charities and disclosed on Charity Portal **within 6 months from the end of the financial year** *(Max = 3 points)*	☐ Late Submission (After 6 months)	☐ Timely Submission (Within 6 months)	**Not Applicable**	

Score	Your Charity's Score	Maximum Score
Total maximum score (for small charities / IPCs)		102 basic points + 10 bonus points (112)
Total maximum score (for medium and large charities / IPCs)		105 basic points + 10 bonus points (115)

* Judging panel will have the final say to award a maximum of 10 bonus points on top of the score achieved.

Glossary

Starting Alphabet	Term	Definition
C	Commercial Fundraiser	Any person or organisation who for reward solicits or otherwise procures money or other property for, or purportedly for, the benefit of a charity or any charitable, benevolent or philanthropic purpose.
D	Designated Funds	Designated funds are unrestricted funds that have been set aside for designated purpose(s) based on the governing board members' discretion. Designated funds may also be used where donors have expressed a preference without imposing a trust. Such funds so designated remain unrestricted since the governing board members can remove the designation any time.
E	Endowment Funds	Endowment fund is a capital fund that is to be retained for the benefit of the charity. Endowment funds generally comprise permanent and expendable endowment funds.

Starting Alphabet	Term	Definition
F	Fundraising Efficiency Ratio	***The total fundraising expenses of a charity should not exceed 30% of the total receipts from fundraising and sponsorships for a financial year, as determined by the following formula:*** $\frac{(E + S)}{(R + S)} * 100\% \leq 30\%$ E refers to the total expenses relating to fundraising for the financial year, including a) direct and material indirect expenses of any kind; and b) payments made to commercial fundraisers engaged by the charity, but excluding in a case of the sale of goods by or on behalf of the charity for fundraising (and not trading), the cost of the good sold ***R refers to*** a) in a case of the sale of the goods by or on behalf of the charity for fundraising (and not trading), the total receipts from such sale (after deducting only the cost of the goods sold); b) the total gross receipts from any other fundraising for that financial year ***S refers to*** the total amount of sponsorships in cash received by the charity relating to fundraising for that financial year that is conditioned upon the provision of direct or indirect commercial benefit to the sponsors.
G	Gross Annual Receipts	Gross annual receipts include all income, grants, donations, sponsorships and all other receipts of any kind. Any donations received from the public, even if it is held in trust by the charity, should be included as part of the gross annual receipts.

Starting Alphabet	Term	Definition
M	Modified Opinion in Auditor/ Independent Examiner's Report	An auditor shall modify the opinion in the auditor's report when a) The auditor concludes that based on the audit evidence obtained, the financial statements as a whole, are not free from material misstatement; or b) The auditor is unable to obtain sufficient appropriate audit evidence to conclude that the financial statements as a whole are free from material misstatement Modified opinion refers to a qualified opinion, an adverse opinion or a disclaimer of opinion. **Qualified opinion** a) The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in aggregate, are material but not pervasive to the financial statements, or b) The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, concludes that the possible effects on the financial statements and undetected misstatements, if any, could be material but not pervasive. **Adverse opinion** The auditor, having obtained sufficient appropriate audit evidence, concludes that misstatements, individually or in aggregate, are both material and pervasive to the financial statements **Disclaimer of opinion** a) The auditor is unable to obtain sufficient appropriate audit evidence on which to base the opinion, concludes that the possible effects on the financial statements and undetected misstatements, if any, could be both material and pervasive. b) In extremely rare circumstances involving multiple uncertainties, the auditor concludes that notwithstanding having obtained sufficient appropriate audit evidence regarding each of the individual uncertainties, it is not possible to form an opinion on the financial statements due to the potential interaction of the uncertainties and their possible cumulative effect on the financial statements.

Starting Alphabet	Term	Definition
R	Restricted Funds	Restricted funds are funds that are subjected to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the charity. Restricted funds comprise a) Restricted income funds, which are income funds that are expendable at the discretion of the governing board members in furtherance of some particular aspect (s) of the objects of the charity in accordance with specific trusts; and b) Endowment funds
R	Reserves	Reserves refer to that part of the income of the charity that is freely available to be used or applied for the furtherance of the objects of the charity, and is not subject to the commitments, planned expenditure and spending limits of the charity. It excludes restricted funds.
R	Reserves Policy	Reserves policy refers to the policy on the use and retention of the reserves of the charity, including statements on a) the overall level and purposes of reserves held; and specifically, b) the level and purposes of designated funds, and when those funds are likely to be used
R	Reserves Ratio	Reserves ratio refers to the amount of unrestricted reserves to Annual Operating Expenditure which includes charitable activities and other operating and administration expenses.

CHARITY COUNCIL SECRETARIAT

Charities Unit
c/o Ministry of Culture, Community and Youth

Old Hill Street Police Station
140 Hill Street #02-00
Singapore 179369

www.charitycouncil.org.sg
charity_council_sec@mccy.gov.sg