

## **Standards of Operations of a Polish Local Philanthropic Organisation**

**Drafted by representatives of 12 organisations - members of LPO Network and the Academy for the Development of Philanthropy, September 2000**

Local philanthropic organisation is a non-profit, apolitical organisation which collects and distributes money to improve standards of living in specific communities. Its beneficiaries may include local associations, foundations, schools, cultural centres, clubs and other nonprofit institutions that conduct activities for the local community.

The LPO is open to various needs of both donors and local communities, hence the grants awarded can support activities in such areas as: health care, education, social care, cultural development, preservation of traditions, environmental protection, sport, safety, encouraging and activation of community residents.

Such organisation can combine donations from a number of donors into a single perpetual capital endowment; interest generated from deposits is allocated in the form of grants to finance initiatives and programmes identified on the basis of an analysis of local needs and the will of donors. Such local philanthropic organisation is a community foundation.

### **Local Philanthropic Organisation Standards**

1. The term "community foundation" should be included in the official name of the organisation.
2. The Local philanthropic organisation must be a legally registered entity; statutory goals of the organisations, its apolitical character and independence in taking decisions must be unquestionable.
3. Mission of each local philanthropic organisation - regardless of how it is formulated - is to work for the benefit of the defined local community.
4. The Local philanthropic organisation is entitled to adjust its internal regulations for the needs of co-operation with the given donor, managing various funds and distribution of various forms of financial support.
5. The Local philanthropic organisation can create capital endowment.
6. The Local philanthropic organisation has fixed procedures and regulations related to raising funds that guarantee transparency and objectivity of decision-making.
7. The Local philanthropic organisation operates in compliance with legal regulations. All the obligations need to be prepared in form of written documents.
8. All the documents concerning the LPO operations are available to the public, unless any donor wants to remain anonymous and conceal the information about their support.
9. The Local philanthropic organisation undergoes regular audits and internal evaluation.
10. The Local philanthropic organisation holds continuous monitoring and regular evaluation of its operations. The LPO develops its methodology and system of constant evaluation of its services for local community.
11. The Local Philanthropic organisation has a defined structure and scope of work for people involved in its operations, with special attention to responsibilities for crucial decisions.
12. Operations of the local philanthropic organisation are based on the strategy and operational plans.
13. The LPO has all the essential equipment: computer, printer, modem, telephone, fax, answering machine, Xerox copier).
14. The LPO has appropriate premises allowing for realisation of its goals and suitable for the character of its operations.
15. The LPO maintains contact with donors and partners; both in Poland and abroad.
16. The LPO prepares and distributes annual reports and other informational materials on its operations.
17. The LPO maintains contact with media.
18. The LPO has permanent financial advisors.
19. Operational costs should not exceed 20% of the annual income of the LPO.
20. The LPO has clear policies and procedures excluding conflict of interest.
21. The LPO has clear and transparent accounting system providing donors with full information on allocation and effectiveness of their operations.
22. The LPO constantly raises funds and involves the whole community into fundraising efforts.
23. The LPO involves volunteers.
24. All decisions concerning awarding grants are made by appropriate voluntary commission or board composed of representatives of donors and leaders of the local community. Decisions are public.
25. The LPO implements charitable goals selected by the donor. In case of the community foundation, it provides possibility to establish perpetual funds of their name or any name chosen by the donor.

26. The LPO co-operates both with companies and individual donors regardless of their branch and size.
27. When offering a donation for local philanthropic organisations, you can use the related 10% or 15% tax breaks, in conformity to the Corporate Income Tax Act of February 15th 1992.
28. Any questions and inquiries are answered immediately.