

Draft Transparency Guidelines for funders in Aotearoa NZ

July 2017

WHY THESE TRANSPARENCY GUIDELINES?

In philanthropy and grantmaking, being transparent simply means being open and honest about what we do and how we work so we can clearly show how we are serving the public good.

Philanthropy New Zealand (PNZ) proposes the draft transparency guidelines below for funders in Aotearoa New Zealand. These guidelines are based on the excellent [Glasspockets](#) initiative work done by the [Foundation Center](#) in the USA; thanks to [Janet Camarena](#) for advice and guidance. The guidelines were then adapted by [Kate Frykberg](#), [Lani Evans](#) and [Katy Love](#) for the Aotearoa NZ context and further refined with sector reps at a workshop at the Philanthropy Summit 2017. They are now being circulated to the sector for further review.

HOW TO USE THESE TRANSPARENCY GUIDELINES

Here are some considerations for funders when using these guidelines:

- Every funder is different, so each funder should choose which combination of guidelines are appropriate for their organisation.
- In general, higher levels of transparency are expected from funders managing public money than from private foundations--although appropriate transparency is expected from all foundations that receive public benefit through being tax exempt.
- In general, higher transparency is expected from larger, multi-staffed funders than from small voluntary funders.
- The easiest way of making information transparently available is via a website, and we recommend that even very small funders have some kind of web presence.
- Some of the guidelines refer to information that is available from the [Department of Internal Affairs' Charities Register](#), and links to the appropriate pages at Charities Services is a simple way of ensuring easy access to details like financial statements.

WHERE NEXT FOR THESE GUIDELINES?

Philanthropy New Zealand suggests that these guidelines become an agreed standard approach for funders in Aotearoa New Zealand. PNZ hopes that all foundations, trusts and grantmakers will agree to use the framework to guide their approach to transparency.

A three stage process is being run by PNZ to help achieve this vision:

1. This draft is being shared across the philanthropic and grantmaking sector for your comments (comments, including suggested changes to this document, can be sent to yvonne@philanthropy.org.nz). Over the next few months, PNZ will also add the guidelines to the agenda for PNZ funder network meetings, and invite comment via our other publications.
2. When a final version has been agreed PNZ will work with the sector to determine good approaches to formally adopting and using the guidelines.
3. PNZ has been talking with Glasspockets about the sector in NZ gaining access to some of their self-assessment and benchmarking tools which could support implementation of the framework in NZ. We will continue these discussions as we finalise the draft and keep you posted.

DRAFT TRANSPARENCY GUIDELINES FOR FUNDERS IN AOTEAROA NEW ZEALAND

A funder using these guidelines agrees that the following information will be publically available:

	Funder Transparency Level 1: <i>(Expected good practice for all funders)</i>	Funder Transparency Level 2: <i>(Recommended good practice for larger funders)</i>
General Information	<ul style="list-style-type: none"> • Contact Information • Vision / Mission / Purpose Statement • Key Staff List • Board member List 	<ul style="list-style-type: none"> • Staff and board biographies
Governance & Policies	<ul style="list-style-type: none"> • Trust Deed / Bylaws • Statement of commitment to Treaty of Waitangi 	<ul style="list-style-type: none"> • Code of Ethics / Conduct • Conflict of Interest Policies • Board appointment process • Committee Terms of Reference • Whistle-blower Procedures • Executive Compensation Process • Diversity Data
Grant-making Information	<ul style="list-style-type: none"> • Grantmaking Process • Grantmaking Strategy/Criteria • List or database of past grants 	<ul style="list-style-type: none"> • Knowledge Centre • Grantee Feedback Mechanism • Strategic Plan • Assessment of Overall Foundation Performance • Grantee Surveys
Financial Information	<ul style="list-style-type: none"> • Financial Statements 	<ul style="list-style-type: none"> • Financial Metrics • Investment Policies

APPENDIX ONE: DEFINITIONS & CRITERIA

GENERAL INFORMATION

Contact Information: Are the following points of contact provided: telephone number, e-mail/online form, and mailing address?

Vision / Mission / Purpose Statement: Is a mission or purpose statement available?

Key Staff List: Are the names of executives and programme staff available?

Key Staff Biographies: Are biographies of executives and programme staff available?

Board member details: Is a list of Board members with bios and affiliations available?

GOVERNANCE & POLICIES

Trust Deed / Bylaws: Are the foundation's governing trust deed and other bylaws available?

Committee Terms of Reference: Are the foundation's committee Terms of Reference or charters available?

Code of Ethics / Conduct: Are policies guiding foundation staff ethics or conduct available, and do they include a procedure for reporting non-compliance?

Conflict of Interest Policies: Is the conflict of interest policy available?

Board appointment processes: Does the foundation clearly specify the process for selecting and appointing board members and does the foundation make available policies around what remuneration (if any) is paid?

STAFFING POLICIES & DIVERSITY DATA

Whistle-blower Procedures: Is a policy regarding the reporting of financial improprieties or other misconduct available?

Executive Compensation Process: Is the process used to determine executive compensation described?

Commitment to the Treaty of Waitangi: Does the foundation provide information about its commitment to the Treaty of Waitangi?

Diversity Data: Is statistical information provided about the demographics of the foundation's workforce and board leadership?

GRANTMAKING INFORMATION

Grantmaking Process: Is there a description provided explaining how the foundation selects its grantees (application process or pre-selection)?

Grantmaking Strategy/Criteria: Are the foundation's grantmaking priorities, criteria or strategy outlined?

List or database of past grants: Is there a searchable database of past grants or a grants list categorised by programme area? (Note: A grants list is accepted for foundations with fewer than 200 grants per year. A grants list should include recipient name, grant amount, and recipient location information.)

PERFORMANCE MEASUREMENT

Assessment of Overall Foundation Performance: Is there a comprehensive assessment of overall foundation performance and effectiveness that measures progress toward institutional mission and goals?

Knowledge Centre: Is there a centralised section of the foundation's web site that provides a collection of the foundation's research, programme evaluations and lessons learned reports?

Grantee Feedback Mechanism: Is there an online mechanism in place so that grantees can regularly provide the foundation with feedback?

Grantee Surveys: Has the foundation conducted a periodic survey of its grantees and shared the results publicly?

Strategic Plan: Is information readily available that explains how the foundation defines its overall strategy, direction, and priority setting?

FINANCIAL INFORMATION

Financial Statements: Are the most recent financial statements available? (Audited for all larger foundations)

Financial Metrics: Does the foundation make key metrics available, particularly grants as a % of capital, operating expenses as a % total expenses? Also % of applications fully funded, part-funded, declined.

Investment Policies: Are policy statements about how the foundation invests its endowment provided?