NGEnvironment

Foster European Active Citizenship and Sustainability
Through Ecological Thinking by NGO's

IO7: Survival guide for NGO Founding and Funding

Italy

Made by Permacultura Cantabria (Spain) and Sinergie (Italy)

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Contributors

	Name	Organisation
1	Arantxa Aguirre (main contents)	Permacultura Cantabria (Spain)
2	Federica Lo Cascio (specific aspects in Italy)	Sinergie (Italy)
3	Maria Vittoria Fontanesi (specific aspects in Italy)	Sinergie (Italy)

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Introduction

NGOs stand up for human rights and environmental protection, work to end violence, assist the poor, build leadership among youth, and much more. Starting a new NGO is a powerful way to change things.

Starting an NGO usually is a lengthy, time consuming process that arises many doubts and uncertainties, leading potential leaders to give up or to join any other entity that already exists, even if it does not fulfil entirely the person's view or goals. The difficulties of the process can be minimized by following a consistent series of steps and seeking advice. Traditionally, the sort of information needed is spread among many services, documents or websites, and often the information between media is not coherent or is outdated.

This output specifically provides aid to citizens willing to create their own NGOs or to take part of an existing one in an educated way. It consists of a step-by-step guide explaining all legal and practical requirements needed to found and manage an NGO that has no parallel in the partners' countries. It also suggests funding mechanisms and provide important 'surviving' tips provided from experienced leaders. In brief, it provides an excellent up-to-date starting point giving tailored support to new NGO leaders.

A specific version of the "Survival Guide for NGO Founding and Funding" has been developed for every partner' countries (Germany, Portugal, Romania, Malta, Greece, Italy, Ireland and Spain), adapted to their legal requirements, and they provide practical information and links where finding more information.

Note: all the words in blue in the text are links to external resources. Just click on them.

1. What is an NGO?

Concept

Generally, there is some confusion about what an NGO is. NGO is the acronym for Non-Governmental Organization. It is a concept that the United Nations used for the first time after World War II and refers to non-profit entities that pursue general interest purposes. UNITED NATIONS Resolution 1996/31 of 25 July defines an NGO as "any group of voluntary, non-profit citizens that arises at the local, national or international level, of an altruistic nature and directed by persons with a common interest. NGOs carry out a variety of humanitarian services, bring citizen concerns to the attention of the government, monitor policies and support political participation, at the community level. They provide analysis and technical expertise, serve as early warning mechanisms, and help monitor and implement international agreements. Some are organized around specific themes such as human rights, the environment or health."

A very broad concept is that of NGOs, since different legal entities (associations, foundations, companies) can enter there, without distinction for their purposes (we would have as an association, all kinds of organizations; from a free-time group to an association of neighbours or a trade union...). After all, it is a diffuse and ambiguous concept because it is defined in a negative way, considering by definition as an NGO any form of organization that is “not” governmental.

You may hear other terms used to describe organizations that work to advance the public good: Civil society organizations (CSOs), non-profit organizations, Charities or charitable organizations, Grassroots or community-based organizations, Voluntary organizations. In some cases, the terms suggest a particular type of NGO. For example, grassroots organizations are NGOs that members of a community form to help themselves.

Characteristics of an NGO

An NGO develops a social function because its projects bring about positive changes in families, communities or on the planet. Although its activity is in the general interest, its role is not to replace the work of the administration. Three reasons that explain the work of an NGO are: poverty (inability to access drinking water, food, adequate sanitation, education, housing, etc.), humanitarian crises (natural disasters, effects of climate change, conflicts) and threats to the environment (illegal trade in species, damage to ecosystems, loss of biodiversity, etc.).

- They are private entities whose capital depends on the contributions of the people who are part of the project.
- They are non-profit entities, that is, their purpose is not to increase the economic benefits of their partners or taxpayers, but rather that their action is determined by a series of social values (solidarity, cooperation and humanitarian aid). But non-profit does not mean with the intention of loss, because they are entities that seek to be sustainable, efficient and generate reserves that allow their operation in the medium and long term.
- For the general interest, they seek the common good, of society or of a significant part of it, and not that of a small and specific group of people.
- They are autonomous in their administrative management and in their decisions. This means that no governmental, official or public institution or authority can interfere in this regard. In return, NGOs are responsible for complying with a series of requirements and regulations for their constitution and operation.
- They encourage the participation of communities and social groups, since the axis of their action is not only cooperation and the execution of tasks themselves but, at the same time, to motivate and link the people of the beneficiary communities to be themselves those who carry out the work and, in this way, guarantee the continuity and sustainability of the projects.
- They perform pedagogical work in the environments in which they operate. The promotion of values such as social justice, participation, equity, equality and democracy is one of the tasks parallel to the execution of infrastructure works or the provision of material goods. They are not just solutions; they are actions with a long-range social sense.

NGOs principles

There are some principles necessary for your NGO to be effective (The NGO Handbook, 2012):

Legitimacy: When an NGO is seen as legitimate, the public believes that it addresses a need in society and that its members put that social need above their personal interests. You should ask if your NGO deserve to exist, i.e., your mission is relevant, and the NGO is well-governed, well run and effective. To be considered as legitim, it is important that the organization is lead and managed by several people, a broad base of leaders.

Accountability: Specifically, that means answering to your stakeholders: funders, members, partners, the people you serve, the community you operate in and other NGOs. To engage their stakeholders, an NGO needs to understand their different needs and expectations. NGOs should be accountable not only for their funders and donors but also for their communities, by holding community meetings, conducting surveys, and writing annual reports, newsletters and other forms of outreach. At a minimum, your NGO is accountable for:

- The mission, which is your public promise.
- The results: you must achieve tangible results in improving the lives of people you serve.
- Good governance: your NGO should have a volunteer board of directors that govern the organization ethically and effectively.
- Fiscal responsibility: your NGO must make sure the contributions it receives are used to advance the mission.

Transparency: Information on its proper functioning or clear management of income is essential to avoid mistrust and that NGOs can continue to seek support to continue their struggles. If you want that your NGO is transparent:

- Make clear what your goals and mission are.
- Provide information on your website about the work you do.
- Explain to donors and members where you use your funds.
- Justify your expenses to public donors, companies and institutions that provide resources.
- Carry out an accountability exercise by publishing annual reports, for example, how much money you have received and how it has been invested.
- Undergo an audit that determines the degree of transparency.

When NGOs uphold these principles in word and action, they build confidence and trust in the work of all NGOs. This guide will help your organization do just that.

2. Types of NGOs

Currently, social action presents multiple challenges. And this explains the great variety of organizations that exist today. Although all NGOs share altruism and social commitment, this does not mean that they are all the same. In fact, there are differences between them that are generally determined by factors such as their form of constitution, their orientation or their area of influence. One of the simplest classifications divides NGOs into five different groups (Intermon Oxfam):

a. **Development NGOs** (ONGD): are those whose aims, or express purpose, are to carry out activities related to the principles and objectives of international cooperation for development. They carry out most of their work in the poorest countries, together with local organizations, with the aim of supporting, empowering and accompanying these countries and their communities in their own development process.

b. **Social Action NGOs**: they are the most numerous and are dedicated to providing services in the field of social and / or health services, that is, in the care of people with intellectual or developmental disabilities or families and people without resources, in the level of childhood, immigration, toxicology, women or people over 65 years of age.

c. **Volunteer NGOs**: They have a very specific purpose, which is to promote "organized volunteering" and the values it manifests, training and representing it before Civil Society and Public Administration.

d. **Human Rights NGOs**: These include those NGOs whose purpose lies in the defence of Human Rights or in denouncing violations that are discussed in this area. These types of organizations are currently described, in an analogous way, as social movements.

e. **Environmental NGOs**: These NGOs focus more on the development of awareness, advocacy and training activities, with the goal of working in favour of the environment and sustainable development, both in their environment and anywhere in the world.

3. Legal framework for NGOs

Non-Governmental Organisations (NGOs) are non-profit organisations independent from the involvement of States and international governmental organisations. They may be constituted in very different forms and are engaged in a wide range of humanitarian and social activities, by assuming legal forms that can significantly vary from one country to another. Typically, they are financed by donations from philanthropists, although the large ones are supported by public funds too.

The legal framework of non-profit organisations varies on the grounds of their typology. Therefore, in this chapter we will provide an overview of main organisations and their juridical framework, according to the Italian legislation.

NGOs in Italy

The term NGOs refers to a large number of private, non-profit associations and organisations operating in the field of social solidarity. This is a broad definition that includes organisations that differ widely in their goals, ideological inspiration, areas of intervention, organisational forms and size, but are united by values of solidarity and fairness, and an operational methodology based on project development and the explicit identification of objectives.

In Italy, NGOs belong to the legal category of **non-profit associations** (in Italian: “associazioni senza scopo di lucro”) and therefore share the same legislative regulation (Civil Code, Book I, Title II, Chapters II and III).

A more focused definition of NGO is the one that includes, in addition to the three elements mentioned (i.e. private, non-profit, solidarity), also the fact that they carry out activities in the field of international development cooperation. NGOs with this purpose constitute a distinct and unitary typology, also from a legislative point of view, which provides for a special discipline in law no. 49 of 26 February 1987 on development cooperation. According to the law (art. 28), these organisations can be recognised as eligible by the Ministry of Foreign Affairs, which allows them to access ministerial contributions and projects. In order to obtain eligibility, not only the NGO must be formally constituted, non-profitmaking and in no way connected to actors with such aims, but it must also aim at carrying out development cooperation or education activities, ensuring a certain level of professionalism, and undergoing periodic ministerial controls.

Once recognised by the Ministry of Foreign Affairs they are included in the list of recognised and registered NGOs available on the AICS website (Italian Agency for Development Cooperation).

The most important Italian NGOs are: Emergency, Caritas Italiana, Community of Sant'Egidio, Hands Off Cain, Legambiente, Actionaid, Medici Senza Frontiere, WWF Italy, Save the Children Italy.

Furthermore, NGOs can be recognised as **Third Sector entities** if they adapt their statutes in accordance with the new Third Sector Code.

The Third Sector in Italy includes all those organisations that work and are situated outside of the First Sector (public) and the Second Sector (commercial). It is a constantly evolving social, economic and cultural entity. By pursuing civic and community objectives and goals of social utility, Third Sector Organisations (TSOs), are characterised by a non-profit nature and by the exclusive or primary development of one or more activities of a general interest.

With Law n. 106 of 06/06/2016 "Delegation to the Government on the reform of the Third Sector, Social Enterprise and the regulation of Universal Civil Service", a reform process of the Third Sector was launched, dealing with the reorganisation of existing norms in terms of non-profit organisations, which is very fragmentary, through the drafting of a specific Code of the Third Sector and the creation of the Unique National Register of the Third Sector (RUNTS).

The Code of the Third Sector – Law n.117 of 03/07/2017 reorganised and completely revised the current regulation, both in Statutory and fiscal terms, by defining for the first time and in a uniform and organic way the boundaries of the so-called Third Sector and the organisations that are part of it.

According to the Code, the following categories are considered Third Sector Organisations:

- Volunteer Organisations
- Associations of Social Promotion
- Charitable or Philanthropic Organisations
- Social Enterprises, including Social Cooperatives
- Associative Networks
- Mutual Aid Societies
- Both **recognised and not recognised associations**, foundations and other private law bodies different form societies, which were founded to pursue non-profit goals of civic, community and social utility nature by carrying out, in an exclusive or primary way, one or more activities of a general interest, in the form of a voluntary action, or free donation of money, goods or services, or of mutuality, production and exchange of goods and services.

Legal forms of Associations in Italy

In Italy there are two different types of associations: recognised and non-recognised associations.

A **recognised association** has full legal capacity. It is therefore a centre of imputation of rights and obligations totally distinct from its members, and it also has full patrimonial autonomy. This means that creditors of the association can only claim against its assets, without affecting the assets of the president or members of the board of directors.

However, the recognition procedure is complex and expensive. The Memorandum of association and the Statute must be written in the form of a public deed with the intervention of a notary. Then, it is necessary to start the recognition procedure at the prefecture of the competent region. To be recognised, the association must have minimum assets ranging from € 15,000 and € 50,000. These assets are placed as security for the association's creditors and, of course, are not at the personal disposal of the founding members.

The vast majority of associations are **non-recognised**. They are formed by registering the Memorandum of association and Statute at any office of the Revenue Agency. In this way, the association is in any case regularly constituted and can benefit from all the tax deductions and funding provided by law, and tax regulations for non-profit organisations.

For any debts of the non-recognised association, the association's assets shall be liable first of all and, only if this is not sufficient, the president and the members of the board of directors shall be liable with their assets. Of course, they are only liable for acts attributable to them.

In any case, ensuring a careful management and not incurring debts is sufficient to avoid troubles. Another way of preventing this is to take out basic civil liability insurance.

Tax incentives/obligations

All associations, if regularly established and managed, benefit from important tax advantages.

According to the article 148 of the T.U.I.R. (Italian tax law), within the scope of the activities of associations, the following activities are to be considered non-commercial, and therefore not subject to taxation:

- all activities carried out towards members, in accordance with the association's purposes, for which no specific economic consideration is requested;
- members' fees (annual membership fee) and other contributions paid by members to the association;
- donations received by the association;
- contributions paid by public administrations for carrying out activities with social aims, in accordance with the

aims of the association under an agreement or an accreditation system;

- funds received from public campaigns carried out occasionally, on certain holidays or anniversaries.

In addition, associations may carry out paid activities towards their members, as a direct implementation of the association's purposes, which are considered to be tax-neutral. This means the possibility of charging members for participation in association activities (courses, internships, meetings, etc.). The fees received from these activities are not subject to any taxation and are also VAT-exempt.

For this favourable regime to be applicable, the tax law (TUIR) establishes two fundamental requirements:

- the activity must be carried out in favour of the members, since the activity carried out in favour of third parties who are not members is a normal commercial activity;
- the activity must be carried out as part of the institutional activity of the entity.

In order to benefit from this tax relief, the Memorandum of association must be properly drafted, considering the requirements of the tax legislation, failing which the association will not be able to benefit from the tax relief and will be exposed to possible objections by the supervisory bodies.

Associations may also carry out, on a marginal and non-prevalent basis, paid activities towards non-members and third parties, or receive payments from sponsors, advertising, etc., which are considered commercial activities and therefore do not benefit from tax concessions.

We can distinguish two cases:

- The association carries out commercial activity on a marginal basis. Thus, the commercial activity is not among the association's purposes and does not exhaust its activity. In this case, the association remains a non-commercial entity. However, it is necessary that the income from the commercial activity is always lower than that from the institutional activity towards the members. For these activities, normal accounting records must be kept, and in the case of non-occasional commercial activities, a VAT number must be opened. However, for the commercial part, there is a facilitated tax regime (Law 1991 n. 389). In any case, the association must be assisted by an accountant.
- The commercial activity is carried out habitually and professionally, and the income from that activity exceeds that from the non-commercial activity. In this case, the association loses its non-commercial status and is considered, for tax purposes, to be a business. All its activities are subject to the business tax regime, with the obligation to keep ordinary accounting records and draw up an ordinary balance sheet.

Volunteering

Non-profit organisations rely mainly on the voluntary and unpaid work of their members.

In 2017, the Third Sector Code abrogated the Law no. 266/1991 concerning the regulation of voluntary organisations and voluntary work, defined as an activity performed personally, spontaneously, free of charge, through the organisation of which the volunteer is a member, not for profit (even indirectly), and exclusively for solidarity purposes.

According to the Code, a volunteer is a person who, of his or her own free will, carries out activities in favour of the common good and the community, through a Third Sector Organisation, making his or her time and skills available to provide support to the needs of people and communities benefiting from his or her action, in a personal, spontaneous and free manner, without any profit motive, not even indirect, and exclusively for solidarity purposes.

An associate who occasionally collaborates with and supports the social bodies in carrying out their functions is not a volunteer.

The Third Sector Code recognises the importance of volunteering and defines some of its aspects, such as:

- the absolute absence of any form of remuneration by the beneficiary, except for reimbursement of documented or self-certified expenses, prizes and awards of modest value in relation to the services provided;
- the incompatibility of any form of employment, either subordinate, self-employed or occasional, with the institution where the voluntary activity is carried out, with some specific exceptions;
- the right to make use of flexible working hours or shifts, as provided for by collective contracts or agreements, compatibly with the company organisation.

More information about regulation of volunteering in Italy:

https://italianonprofit.it/risorse/definizioni/volontario-riforma-terzo-settore/#le-previsioni-della-riforma

Volunteering platform in Italy:

https://italianonprofit.it/

4. Start and sustain an NGO

Solutions to global problems sometimes start with small changes at the local level. Whatever type of challenge or opportunity you want to tackle, you can achieve more if you have enough resources and work collaboratively with others. To start an NGO, you will need a lot of support. On the one hand, people who provide resources, volunteers and advocates who believe in your project. In addition, carrying out projects and activities requires multiple skills: you will need to make plans, reach your community, recruit volunteers, raise funds, manage and monitor projects, and evaluate results. Furthermore, maintaining an NGO over time demands an even greater level of commitment, skills, support and resources (Binder-Iglesias, 2013).

When you are starting out, start small. Pick one or two projects that your group can do well. Then, the NGO builds a track record of success and learns what it takes to be effective.

This chapter provides you with the key elements to developing and sustaining an NGO. Sustainability refers to the capacity of an NGO to maintain its activities over time. Often, when we hear the term sustainability, the first thing that jumps to mind is money, but sustainability is about much more than that. It starts with the organization's vision and mission.

Vision and mission

The values, vision and mission guide every decision an NGO makes and every action it takes. Putting into writing your values, vision and mission is one of the first steps you must take when you found an NGO. These statements will direct the rest of your journey and communicate to your stakeholders who you are and what you stand for. Your NGO's vision describes the long-term changes you seek and how people's lives will be better thanks to your work. Your mission is the unique way your organization contributes to turning that vision into reality.

Addressing community needs

An NGO must be able to translate its mission into projects and activities that have measurable impacts welcomed by the community. Projects must be thoughtfully designed and carried out by qualified people in order to effect lasting change and receive long-term funding. If you are uncertain about the best place to start, conduct a simple community survey or needs assessment. As your NGO matures, its projects and activities will evolve in response to the changing needs of the community as well as your own lessons learned. You might decide to expand some activities and cut back on others or completely restructure your programs. NGOs must regularly evaluate how well their projects and activities meet the community's needs and interests, and the programs that are no longer relevant or effective have to be closed.

The three pillars of sustainability: planning, management, evaluation

Sustainability requires systems for planning, management and evaluation (The NGO Handbook, 2012). Regular planning must take place at multiple levels: project plans, fundraising plans, overall organizational plans, short- term plans, long-term plans. Planning systems enable you to organize your work, respond to needs and anticipate challenges. Management systems are the tools to establish clear responsibilities and procedures for handling everything from money and staff to projects and timelines. Finally, evaluation systems inform you of the results you are achieving. To be accountable, you need to report results not just to your funders and supporters, but also to the community you serve. At a minimum, when you start an NGO you need to set up a system to track income and expenses and establish fiscal controls such as who can approve payments and who can sign checks. As your NGO grows, you will have more things to manage: projects, people, money, relationships.

Committed leadership

To build and sustain an NGO, people with different kinds of knowledge and skills are needed, but above all, NGOs need leaders, people committed to the organization and willing to spend time and effort directing its work. Typically, the leadership group consists of an executive director, senior staff and the board of directors. When starting an NGO, many times the founder invite friends or family members to join the board, but when the NGO matures, the board will need to bring in new leadership from outside. It is necessary to continuously cultivate new leadership at all levels (board of directors, staff, volunteers, participants). Your NGO should constantly work to identify and recruit new talent, build their leadership skills, and move them into positions of responsibility.

Relationships with stakeholders

For an NGO, the stakeholders are people or organizations that care about the same issues and interact with many of the same people as your NGO. Relationships with a broad range of stakeholders — business and professional associations, donor organizations, coalitions, unions, political parties and informal community groups — allow an NGO to thrive. Stakeholders provide your NGO resources — not just financial support but also other kind of support. The organization is more likely to be successful if it can get letters of support from many stakeholders. You need time and effort to build relationships with these stakeholders, and the relationships will change over time.

Diversity in funding sources

An NGO should not rely on a single source of funding, like a funder or a type of funder, for its survival because if you face financial problems, your NGO may become insolvent and have to close. You should seek a wide variety of funding sources: foundations, businesses, governments and individuals. Your NGO nay also generate income by selling products or services. You will need a fundraising plan that lays out objectives, strategies, tasks and timelines.

Training

Capacity-building for NGOs is an ongoing process. As we move ahead to bring about social change, we also end up facing new and unexpected challenges. However, constant training and exposure to new ideas can lead organizations to address these challenges and improve their organizational growth.

What is a successful NGO?

- One in which the mission achieves a high level of results.
- One that has an impact on society.
- One that provides a great deal of lasting value to those it aims to help.
- One that is efficient, transparent and whose management is accountable.
- One that gains an increasing amount of support from society and institutions
- One that has a great deal of credibility.
- One that is considered the “ideal” organisation to work in and to collaborate with (by staff, volunteers, members, etc...)

Source: Carreras et al. 2009

Efficiency

In an environment of growing needs and new opportunities, being efficient often becomes an essential requirement to survive and continue to offer valid responses or transformative alternatives to society. But not only that: pursuing efficiency must allow NGOs to learn and improve, which should lead to increased long-term impact.

An efficient organization requires or is characterized by (Iglesias et al. 2014):

1. A capable leadership that provides orientation and direction to the organization, and that is courageous in decision-making and in the allocation of resources;

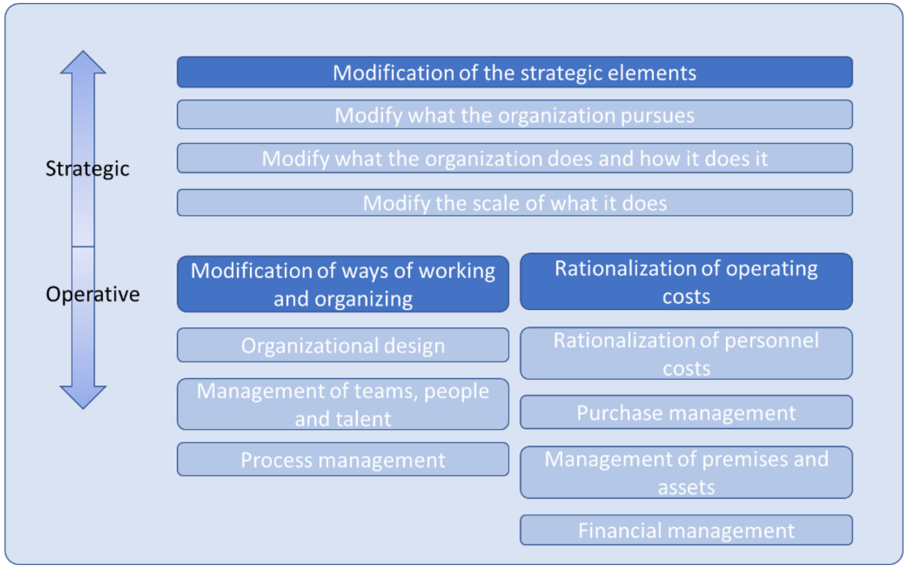
2. Clear decision-making processes that do not lead to confusion and reinforce leadership through a relevant mission, vision and strategy;

3. An organizational structure adapted to the goals and strategies of the organization, and that allows members to carry out their assignments and develop their talent, as well as to take advantage of the resources of other interest groups related to the organization;

4. A team of people with talent, capacity and commitment, who can contribute to the organization's objectives and be aligned with the appropriate strategy;

5. Simple processes and procedures that really focus on those elements that add value, and

6. A culture oriented towards results, learning and continuous improvement.



Mechanisms to move towards efficiency (Source: Iglesias et al. 2014)

The reflection and modification of some strategic elements is one of the ways of gaining efficiency that has the greatest significance and sustainability over time. Therefore, when considering moving towards efficiency, it is important that the leaders of the organizations broaden their vision and review their strategic foundations, asking themselves three basic questions:

- Does what we pursue make sense?
- Does what we do to get what we want make sense and work?
- Could we grow; replicate our programs, services and products, and have more impact?

Reflecting on how the organization works from a more operational perspective - the organization - is one of the paths that leaders should take to advance efficiency. So, leaders should ask themselves:

- Does the way in which the organization is structured makes it easier to achieve its objectives and results? Does it make it possible to take advantage of talent, a good flow of decisions and resources and make the most of them?
- Are the existing processes adequate, necessary and efficient? Are there any bottlenecks, any superfluous processes, are there procedures missing, can they be simplified?
- Do we take advantage of the potential of everyone in the organization and the whole?

Personnel costs are often the largest expense item for non-profits. Its reduction is not easy, since it implies reducing the number of people hired or modifying their conditions.

Purchases of material and supplies can be reduced almost immediately, not only by taking measures that imply less consumption, but also by establishing new relationships with suppliers.

The reduction of the cost related to the premises can be achieved by seeking shared spaces with other organizations or by substituting several premises for a single, larger one, which means less supply costs.

Good financial management can reduce the costs associated with financing an organization; In addition, it can be one of the keys to their survival, in times of difficulty.

5. Stablishing values, vision and mission

Vision and mission

Mission and vision statements capture the essence of your organization's beliefs and values and define its place in the world. An NGO is more likely to be successful when its leaders agree on its core values, share a powerful vision for change and establish a clearly defined mission. Conversely, an NGO without clear values, vision and mission lacks a moral compass to guide its decisions.

A vision statement explains the overall goal of your organization looking into the future (how you see the future), while the mission statement outlines the present plan to realize the vision. An NGO's mission statement concisely states the main purpose of the organization, it answers the question of why you exist, describes who you are, what you do and the end results you seek. It has two parts: the first is the core — the one or two sentences that communicate what you do and the long-term changes you work to achieve; the second part briefly describes the strategies or types of activities you use to achieve your mission.

In the beginning, set aside time for your core leadership team to come together and define your NGO's aims and means to accomplish them. It is a good idea to involve the community you serve in drafting your NGO's vision. As your NGO gains experience, or as new needs emerge in the community, you will likely need to refine your mission. Do some research to write a sharply focused mission statement. It is a good idea to prepare several different options to choose from. In this links you can see some **examples of vision and mission statements**:

Global Nature Foundation
  https://fundacionglobalnature.org/en/quality-and-environment-policy/

Nousol
  https://www.nousol.org/mission-vision-values/

GREENPEACE VALUES, VISION AND MISSION

OUR VALUES

- Personal responsibility and non-violence
- Independence
- Greenpeace has no permanent friends or enemies

OUR VISION

At Greenpeace we work to:

- protect biodiversity in all its forms.
- prevent pollution and abuse of the oceans, land, air and fresh water.
- end all nuclear threats.
- promote peace, world disarmament and non-violence.

OUR MISSION

Greenpeace is an independent organization, politically and economically, that uses non-violent direct action to attract public attention to global environmental problems and to promote the solutions necessary for a green and peaceful future.

The Sustainable Development Goals (SDG)

The SDGs are the new framework for contributing to sustainable development, made up of 17 Goals and 169 targets that must be met before 2030, and are aimed at all actors on the planet; Governments, civil society, and businesses have been called to action to contribute to these global goals. In this framework, NGOs have a decisive role (https://www.unglobalcompact.org/sdgs/17-global-goals; https://www.pactomundial.org/ods/).

The UN Global Compact strategy (https://www.unglobalcompact.org/; https://www.pactomundial.org/) aims to accelerate business action to achieve Sustainable Development Goals and more ambitious climate targets. With that aim they have published a guide to help companies to integrate SDGs to corporate reporting. This guide can be useful to stablish the goals of your NGO. This guide outlines a three-step process to embed the SDGs in existing business and reporting processes.

English version:
https://d306pr3pise04h.cloudfront.net/docs/publications%2FPractical_Guide_SDG_Reporting.pdf

There is another guide, the SDG Compass (https://sdgcompass.org/), that guide companies on how they can align their strategies with the SDGs as well as measure and manage their contribution to the realization of the SDGs. The guide presents five steps that assists companies in maximizing their contribution to the SDGs, defining priorities, goal setting, integrating sustainability and reporting. This guide is published in several languages.

English version:

- https://sdgcompass.org/wp-content/uploads/2016/05/019104_SDG_Compass_Guide_2015_v29.pdf

Five steps that assists companies in maximizing their contribution to the SDGs. Source: SDG Compass guide https://sdgcompass.org/

6. People in an NGO

The true strength of an NGO is the people who work in it, both those that do it in a paid way and those who volunteer. Regardless of the cause support, they all have something in common: the desire to fight for what they believe in, the strength to defend their values and the illusion to make the world a better place.

Values that define the member of an NGO

In this sense, there are a series of **values** that define the member of an NGO:

- Justice. fighting for the rights is a common interest of the members of any NGO, and the efforts of each one of us add up.
- Solidarity: any member of an NGO feels the need to help others or fight for a common cause, to fight to improve their quality of life.
- Consistency: If you commit to a cause, you must act accordingly with it. NGOs are often governed by codes of conduct to lead by example, as they say.
- Integrity and honesty: Integrity and honesty can be distinguished in big decisions, but also in everyday acts. They are linked to the observance of rules but, in fact, they also have to do with the faithful and transparent behaviour you have in what you do.
- Responsibility and respect: It is the responsibility we have towards our colleagues and the people we help. We respect the safety and value of our people, the means and infrastructure, the environment in which we operate.
- Courage and self-criticism: All major innovations stem from the courage for change and the ability to integrate diversity.

Participation in NGO

All the people who make up the human team of an NGO know that achieving a better society is only possible with the help of everyone and, therefore, the variety of profiles that can be found in an organization of this type is very wide, because They need knowledge in many sectors. In this way, participation in an NGO can occur in two ways:

- Paid: people who receive a salary.
- On a voluntary basis: people who collaborate in the NGO altruistically.

In all NGOs there are many types of volunteers, from those who are dedicated to the most routine tasks to those who travel to the epicentre of a project to help carry it out. Thus, there is no single day-to-day volunteering, and we could even say that there are as many "day to day" as there are volunteers an NGO has. Managing a team of volunteers requires a lot of diplomacy and, above all, a lot of patience!

It is not enough just to have a dedicated team for an organization. It is fundamentally believed that unless the team is not properly managed, motivated and performed, the organization will not achieve its goal and objectives. The process of managing, motivating and making the staff perform involves setting up of systems, including building plans and policies. These systems fall under human resource management.

Watch these videos:

https://youtu.be/Q2CXHT6G0UU

https://www.youtube.com/watch?v=f60dheI4ARg

Some **manuals** can help you to manage the human resources and volunteers in an NGO:

Essential non-profit employee handbook Template (English):

https://www.nonprofithr.com/wp-content/uploads/2014/11/FINAL_NON-140011_Essential-Nonprofit-Employee-Handbook.pdf

The NGO Handbook ff Volunteer Management Essentials (English):

http://dar.aucegypt.edu/bitstream/handle/10526/4290/The%20NGO%20Handbook%20to%20Volunteer%20Managment%20Essentials.pdf?sequence=1

Corporate volunteering

Corporate Volunteering originated in the United States in the 1990s, where its widespread diffusion in major companies showed its increasing importance as a tool of strategic management of their commitment within the community, as well as representing a leverage for Human Resources policies. Starting from its success in the US, Corporate Volunteering was also promoted at a European level, initially in the UK, where there is a long tradition in the development of partnerships between Enterprises and Community, and then it spread to other Member States and arrived in Italy too, firstly in

Anglo-Saxon enterprises, and then in other companies with different modalities.

Corporate Volunteering – meant as a project where the enterprise encourages, supports and organises active and concrete participation of the staff to the life of local communities, or to support Non-profit organisations during working hours – is a new significative trend in Italy, characterised by both challenges and opportunities for all the involved stakeholders.

Among the goals that enterprises pursue in engaging in Corporate Volunteering programmes, there are surely external motivations: 1) Offering a concrete commitment to the community, by supporting projects of non-profit organisations; 2) Being more present on the territory, by developing social networks and creating value in the long run; 3) Fostering their own visibility in terms of social responsibility and consolidating company reputation.

Corporate Volunteering programmes also have some internal goals: 1) Making the work-force motivated and united; 2) Developing employees' skills. To this aim, there are some positive consequences for involved employees. Corporate Volunteering, in fact:

- Is to be understood as an activity aimed at benefitting and bringing satisfaction to the person;
- Creates cohesion among employees and fosters exchange among cultures and different professional competences (team building);
- Develops soft skills: self-awareness, leadership, problem solving (being able to solve unusual problems);
- Develops new professional skills, such as performing an activity for the first time, getting involved in a social field by performing a task usually done in a business domain;
- Increases motivation levels of employees who are over 60 and makes them feel useful and integrated within the company;
- Makes employees more aware and responsible towards the community, by making them get in touch with a dimension they did not know before thus overcoming unconscious prejudice, and by make them participate in the change in society;
- Starts a journey of virtuous volunteering: people bring such a personal experience with them, regardless of the company they work in.

Other internal motivation factors for the company:

- Development of common values between the company and the employees;

- Increase in employees' engagement in community projects, so that they become the "business card" of the company towards external actors, by also transferring their own skills and spreading company culture (becoming "ambassadors" of company culture);
- Creation of a sense of belonging to the enterprise and increase in employees' loyalty;
- Attraction of young talents, because new generations search for ethical and social values within the company they will work in.

Code of ethics and conduct for members of the NGOs

Most NGOs have **codes of ethics and conduct** that govern the behaviour of the members of the NGO and its operation. It is for this reason that tools such as the Principles of Transparency and Good Practices are born, to avoid harmful behaviours for the NGO, partners, volunteers and anyone linked to the organization.

Examples of codes of ethics and conduct that govern the behaviour of the members:

Greenpeace
https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/report/2007/7/greenpeace-code-of-ethics.pdf

United Nations High Commissioner for Refugees (UNHCR)
https://cms.emergency.unhcr.org/documents/11982/32382/UNHCR+Code+of+Conduct/72ff3fdf-4e7c-4928-8cc2-723655b421c7

UNICEF
https://etico.iiep.unesco.org/sites/default/files/CODE_OF_CONDUCT.pdf

Save the Children
https://www.savethechildren.org/content/dam/usa/reports/advocacy/code-eth-bus-cond-11.pdf

7. Importance of leadership and demand for results-oriented leadership

Social Leadership

The concept of social leadership is associated with the development of those individuals who are the driving forces behind civil society organisations and who are working to bring about social change (Carreras et al. 2009). In the sector of NGOs and other non-profit organisations, leadership viewed as a group of people carrying out the organisation's work is more important that the contribution of one specific leader. This fact has positive implications, since it makes it easier for many organisations to develop and carry out work that can go far beyond the scope of a single person occupying the position of director or president of the organisation. In other words, social leadership avoids creating excessive dependence on the person who is the leader at any given moment. However, the large number of people who have a particular task to carry out in their communities, are essential and relevant to the people with whom they collaborate and for the causes they defend. An inspirational leadership knows how to make use of the motivational capacity of a shared mission.

COMPETENCIES OF THE NGO LEADERS Source: Boyatzis, Goleman and McKee (2006)

Personal competency:

a. Self-awareness: emotional self-knowledge, self-assessment, self-confidence.
b. Self-management: emotional self-control, transparency, adaptability, achievement, initiative, optimism, motivation, tolerance of frustration.

Social competency:

a. Social awareness: empathy, awareness of the organisation, service
b. Relationship management: inspiration, vision, motivation, communication and influence, developing other people's competencies, catalysing change, conflict management, creating bonds, teamwork and collaboration

Cognitive competency

a. Analytic thinking, conceptual thinking, knowledge and experience.

Management skills

Leadership and management

- Management is a science. Leadership is an art.
- Leaders generate change. Managers achieve predictable results.
- We lead people and manage resources.

Source: Carreras et al. (2009)

There are many kinds of skills required to manage an NGO. One person cannot afford everything, that's why a leader need a good team with specialized staff:

1. Community organizing skills

- Group dynamics
- Community integration
- Problem identification
- Community investigation
- Facilitation
- Mobilization
- Communication
- Role playing
- Objectivity, monitoring and evaluation

2. Participatory action research skills

- Identification of research problem
- Identification of different research tools
- Data gathering
- Analysis of data
- Consultation with the community and validation of data
- Drawing of conclusions
- Making of recommendations

3. Business skills

- Planning
- Participatory (circular) management
- Accounting and bookkeeping
- Marketing and purchasing
- Negotiation
- Monitoring and record keeping
- Technical skill in micro-computers
- Organizing cooperatives/credit unions

4. Dissemination skills

- Small group formation
- Clarification of values and vision
- Group dynamics

- Different kinds of media production
- Communication skills and visual aids
- Awareness/sensitizing skills
- Advocacy
- Networking and linkages

5. Training methods skills:
    - Use of cultural forms
    - Use of media
    - On-the-job training - participant observation
    - Workshop organization
    - Group dynamics
    - Practice-Theory/Action-reflection
    - Exposure programme
    - Group discussion and synthesis, brainstorming
    - Self-learning kits and modules
6. Technology skills
    - Depending on the NGO sector: agriculture, fishing, energy, climate change, housing, health, sanitation, handicrafts, food technology, etc.

Results-oriented Leadership

The changes experienced in the environment, as well as the logical evolution of a sector that is moving towards maturity, place the orientation to results as one of the central challenges that NGOs must facing. NGOs are no longer unique actors and this is compounded by a growing social demand for accountability. The funders are increasingly demanding in the information they request, although an approach predominantly oriented to the economic justification of the resources used is still maintained. The acceleration in the pace of social changes that we have experienced in recent decades is the element that most justifies the need for NGOs to move towards results orientation (Carreras et al. 2011).

Results orientation implies, among other things, the existence of a type of leadership and an organizational culture that leads to consider the objective of the actions, the expected results and to control whether those objectives and results are achieved, in order to make decisions and introduce improvements.

Since NGOs benefit directly or indirectly from public money, they are expected to demonstrate a high degree of accountability to the surrounding community. For an NGO, being responsible means showing that it uses its resources wisely and that it carries out activities consistent with its non-profit status. A responsible NGO is transparent and shows its accounts and records to funders, beneficiaries and others.

A strategy must be complemented with a **measurement system** that allows us to appreciate if what is planned is being carried out and what is being achieved.

WHY SHOULD WE MEASURE? (*Osborne and Gaebler's,* 1992):

What gets measured gets done.

If you don't measure results, you can't tell success from failure.

If you can't appreciate success, you can't reward it.

If you cannot reward success you will surely be rewarding failure.

If you can't appreciate success, you can't learn from it.

If you can't acknowledge failure, you can't correct it.

If you can't show results, you can't get public support.

It can be concluded that behind the measurement there are five key reasons: to know, communicate, motivate, learn and make decisions. These are five reasons that, ultimately, should drive the organization closer to its mission.

8. Principles of transparency and good practices

Principles of transparency and good practices

Codes of conduct for NGOs have been developed essentially because NGOs are self-governing, they use public funds, they target local communities and the general public, and some NGOs do face the problem of fraud and corruption in their activities and make the NGOs more transparent. There are a wide variety of codes of conduct. They may be set up by the NGO itself, for its internal use, especially for large NGOs that have a number of branches or country offices.

Most Codes are set up by third parties - National associations of NGOs, government departments, AID agencies that disburse funds to NGOs, and others. Different countries have different systems and Codes, especially those that are internal to the NGO, may be stand-alone documents or may be an integral part of its bylaws or constitution. Most are publicly viewable, and many available on the NGOs website.

The Code of Ethics and Conduct for NGOs is a set of fundamental principles, operational principles, and standards to guide the actions and management of non-governmental organizations. Developed under the auspices of the World Association of Non-Governmental Organizations (WANGO), this Code was formulated by an international committee representing the wide spectrum of the non-governmental community and included input from NGO leaders from all regions of the world. Numerous standards and codes of conduct and ethics from NGOs and NGO associations worldwide were consulted in formulating this code. The Code of Ethics and Conduct for NGOs is designed to be broadly applicable to the worldwide NGO community. It also offers a manual to implement the code in your organization.

Some **examples** of Code of Ethics' application in NGOs are:

Farmaceuticos Mundi
https://farmaceuticosmundi.org/wp-content/uploads/2020/05/Code-of-Ethics-2020.pdf
Action Against Hunger
https://www.accioncontraelhambre.org/sites/default/files/documents/pdf/2018_code_of_conduct.pdf
World Wildlife Fund
https://d2ouvy59p0dg6k.cloudfront.net/downloads/wwf_code_of_ethics.pdf

Italian legislation on the transparency of civil society organisations is very advanced, and controls are accurate and strict, especially after the legislative reform of the Third Sector was approved, regulating non-profit, social and solidarity sectors. It also addresses all NGOs active in the fields of cooperation, international solidarity and humanitarian aid, both in Italy and abroad.

The **Code of the Third Sector** (Legislative Decree n. 117 of 3rd July 2017) establishes a set of obligations on transparency and controls. The publication of financial statements and other fundamental acts depends on the nature of revenues:

- If revenues are higher than 1 million euros, organisations must deposit with the RUNT their social report, according to guidelines from the Ministry, and publish it on their website.
- If revenues are € 220.000 or higher, organisations must draft an administrative budget including balance sheet, financial statement and a detailed mission report.
- If revenues are lower, the budget must be draft as a cash flow statement; but if revenues are higher than € 100.000, organisations have to publish on their website any emolument or remuneration for administration and control bodies, managers and associates.

In order to carrying out these obligations, The Ministry of Labour and Social Policies provided indications on how to comply with these obligations by issuing Circular n.2/11.01.2019, especially addressed to those organisations that maintain economic relations with various public entities. The compliance with the principles of impartiality, publicity, transparency, participation and equality of treatment is ratified by the Code of the Third Sector and is fundamental for Associations of Social Promotion and Volunteering Organisations, but also for all TSOs engaged in any relationship with public administrations, together with the proof of an adequate attitude to the goals pursued and of an effective management of activities, according to available resources, structure, technical, professional and operational capacity, experience, respect for the rights and the dignity and users and of foreseen organisational standards.

While regulating internal control and accountability obligations towards different stakeholders in the organisational structure, the Reform of the Third Sector also established the adoption of Model 231. More specifically, according to the provisions of enabling law, art. 30 of Legislative Decree n. 117/2017 (Code of the Third Sector) and art. 10 of Legislative Decree n. 112/2017 (Revision of the discipline on social enterprise) establish that TSOs' internal regulatory body has to monitor the compliance with the so-called "**Model 231**".

Legislative Decree n. 231 of 2001 introduced in the Italian legislation administrative liability for societies, legal entities and associations, even without legal personality, for administrative offences resulting from a crime, committed in their interest or to their benefit, by people with a representative, administrative or managing function, or by those who are in charge of the organisation's management and control, or by employees under the supervision and control of the aforementioned actors. In order to prevent these offences from happening, the Decree recommends the adoption and the implementation of an Organisation, Management and Control Model, also called "Model 231".

Transparency and Good practices audit

Transparency is key for any NGO: knowing how the quotas or contributions of people like you are invested, what resources are allocated to each project and many more things related to management is a must to maintain trust in the NGO.

It is for this reason that non-profit foundations that want to foster citizens' trust in NGOs were born, and they do so by offering independent information about them. In this way, any non-governmental organization can request an audit of good practices, which the organization will make available to everyone. These audits evaluate many aspects of organizations, from the funding they receive to how they promote volunteering.

NGOs Audit in Italy:

Several examples of NGOs that adopted a Model 231 are available online:

The Board of Directors of SAVE THE CHILDREN ITALY approved a Model of Organisation and Management 231 to reflect on its commitment to ensure the legality and the transparency of its actions; it represents a guide for all those who work for and on behalf of the organisation, and for all its interlocutors. Together with the Model, Save the Children Italy also updated its Code of Ethics in order to increase the visibility of its values and define specific rules of conduct governing its activity. In order to supervise the functioning of the Model and the compliance with the Code of Ethics, a Supervisory Body was set up, which can be described as an independent committee supporting the Organisation which, in line with the principles of Save the Children Italy, engages in managing any warning or recommendation with a sense of responsibility, discretion and professionality.

In a perspective of ethic, accuracy and transparency, EMERGENCY appointed a Supervisory Body which controls the correct implementation, functioning, effectiveness and update of the Model of Organisation, Management and Control and of the Code of Ethics. By adopting the Ethical Code, EMERGENCY aims at promoting the values on which the operative activity is grounded, and commits to fully respect its instructions, in order to ensure accuracy and transparency in carrying out its activities.

The Code of Ethics and Conduct of LEGAMBIENTE ONLUS establishes the set of rights, duties, ethical and social responsibilities of all those who, in various ways, participate in the Association and collaborate in its activities: statutory bodies, associates, workers, volunteers and consulting bodies. It also defines the norms regulating the relations with third parties: beneficiaries, partners, suppliers, financing bodies, donors, media, stakeholders. The implementation and the compliance with the Code by all the involved persons and entities is fundamental for the implementation of any activity, and LEGAMBIENTE ONLUS ensures that it is appropriately known and shared, with the aim to prevent non-compliant actions and behaviours, and identify and sanction any type of violation from those who, both directly and indirectly, cooperate with the organisation, towards whom a “zero tolerance” approach will be adopted.

9. The three pillars of sustainability: planning, managing and evaluation

Once you have a clear mission, you have to translate it into projects and activities that the community needs, wants and values, to have an impact on it.

Planning

Planning keeps you focused on your goals and enables you to organize your work and allocate your resources efficiently and prevent problems before they become crises (The NGO Handbook, 2012).

Strategic planning: is a systematic way of assessing where your NGO is now and where it wants to be in the future. It starts with the vision, mission and values and then it addressed priorities and goals, guides decisions about project development, new partnerships, allocation of resources, monitoring and assessing results. The strategic plan maps your vision for the association and its proposed impact. It describes your NGO as it currently is and sets up a roadmap for the next three to five years. Your NGO strategic plan is a living document that should be updated frequently to reflect your evolving goals and circumstances. A strategic plan is the foundation of your organization — the who, what, when, where, and how you're going to make a positive impact.

The strategic plan helps NGO to remain relevant and responsive to the needs of the community. You can join board and staff together for one-day brainstorming meeting to make a strategic planning, through the following **steps**:

1. Identify the key issues and questions.
2. Make a SWOT analysis: strengths, weakness, opportunities and threats.
3. Discuss the findings of the SWOOT analysis and stablish priorities, goals and objectives.
4. Prepare the final strategic plan, writing the results of your analysis.
5. Share the plan with stakeholders.
6. Carry out and monitor the plan.

The best NGO strategic plans aren't unnecessarily long. They include as much information as necessary. They may be as short as seven pages long, one for each of essential sections, or up to 30 pages long if your organization grows.

Business planning: A business plan explains the "who/what/how/where/when" and typically will answer questions such as: "Who are the non-profit's "customers?" "What is the geographic area for the non-profit's services?" "What other non-profits are providing similar services?" and "What services does our non-profit deliver that are unique?" A business plan is the action plan, identifying the tasks, milestones, and goals, but also identifying the potential for success and the potential risks ahead, given the non-profit's "competitive advantages" and the environment in which it operates.

Draft a proposed budget for your first year in business with consideration of supplies, bills, insurance, services and all items your association uses daily. Using the budget, determine how much money the association needs.

You can consult this online guide to help you developing a business plan for your NGO. The Social Velocity step-by-step guides, e-books and curated blog series provide you guidance on raising capacity capital, developing a non-profit financing plan, creating a ground-breaking board, designing a theory of change and much more. SCORE is non-profit who provide free business counselling that offers these Business planning tools for non-profit organizations.

Project planning: A project plan sets goals and objectives for a specific project, identifies the resources needed to achieve it, and lays out the key tasks, responsibilities and a timeline. For that, you must have in-depth knowledge of the community you serve. Your NGO should carry out a systematic assessment of the needs and assets of the target community or population. For that purpose, form a team with staff and community members. A typical assessment involves making a survey of a sample of target population. You can partnership with a University to make the survey. One format for a project plan is called a Logic Model. This helps you map out a project, starting with what you want to achieve and working backward to describe the activities you believe will produce those outcomes. From there, identify the resources needed to carry out those activities.

THE BASIC LOGIC MODEL

Certain resources are needed to operate your program.	If you have access to resources, then you can use them to accomplish your planned activities.	If you accomplish your planned activities, then you may deliver the amount of product and/or service that you intended.	If you deliver the product or service you intended, then your participants will benefit in certain ways.	If these benefits to participants are achieved, then certain changes in organizations, communities or systems might follow.
RESOURCES/ INPUTS	**ACTIVITIES**	**OUTPUTS**	**OUTCOMES**	**IMPACT**
1	**2**	**3**	**4**	**5**
YOUR PLANNED WORK			**YOUR INTENDED RESULTS**	

The basic logic model for project planning. Source: The NGO Handbook, 2012

Evaluation

Evaluation is the systematic assessment of the outcomes, quality and performance of a project, activity or the organization as a whole. Evaluation is a tool for answering the question: What difference did our work make in people's lives and communities? In other words, it measures what you achieved for the people you serve. For NGOs to be truly accountable to their stakeholders and to their mission, they must also quantify the outcomes, such as higher student test scores or higher numbers of students who demonstrated ability to apply what they learned in the workshops to their jobs.

The first step of evaluation is to define the outcomes you want a project to achieve. Do this at the design phase of a project. Your NGO's staff and volunteers should agree on an evaluation plan that is feasible, make a simple approach. And then:

- Train the staff and participants.
- Set up a system for storing the data.
- Choose a small group of people to compile the data.
- Have a review of data and identify the key findings.
- Use the evaluation results to improve your project.
- Summarize the data and share your analysis.

Management

Good managers and good management practices are crucial for an NGO to sustain itself over time. Even the smallest organizations need to set up basic systems for management. You need many systems for managing your NGO and you have to decide who has responsibility for every aspect: money, people, projects and facilities. When an NGO is small, the Executive Director (or Coordinator) is responsible for most of the organizational management. As the NGOs grows and hire additional staff someone other than the ED may take on specific management roles, such as for finances of human resources.

Management tasks

1. Assigning people and resources to tasks.
2. Motivating people.
3. Monitoring activities to make sure plans are accomplished.
4. Ensure communication and coordination.
5. Organization of financial management.

As NGO manager, you will have to create structures for management and decision making. You should find ways to involve staff and create a formal structure through which they can add their input. This will help build a sense of ownership and investment in the NGO, its work and its future. You will also need to create a positive work environment for staff and volunteers.

Financial management

Financial management entails planning, organising, controlling and monitoring the financial resources of an organisation to achieve objectives (Lewis, 2017). Good financial management involves the following four blocks:

- **Keeping records**: The foundations of all accounting are basic records that describe your earnings and spending. This means the contracts and letters for money you receive and the receipts and the invoices for things that you buy. Make sure that you write down the details of each transaction.
- **Internal control**: Controls always have to be adapted to different organisations. However, some controls that are often used include: keeping cash in a safe place, properly authorising the expenditures, following the budget, monitoring how much money has been spent on what every month, employing qualified finance staff, having an audit every year, checking that the amount of cash you have in the bank is the same as the amount that your cashbook tells you that you ought to have.
- **Budgeting**: the first step in preparing a good budget is to identify exactly what you hope to do and how you will do it. List your activities, then plan how much they will cost and how much income they will generate.
- **Financial reporting**: a financial report summarises your income and expenditure over a certain period of time. They are created by adding together similar transactions. For instance, adding together all the

money you spent on fuel, new tyres and vehicle insurance and calling them "Transport Costs".

The organisation Secure the Future offers an NGO Financial Management Pocket Guide to provide a reference to proper financial policies. It includes a list of examples of forms.

If you are not experienced, you should get advice to know how to manage finances and what are the requirements for your type of organisation in your country/region.

There is an interesting manual provided by Mango, now Humentum, that can help NGOS for financial management. Humentum is a global NGO which provides training and technical support in financial management for non-profit organisations working in the developing world.

Financial management essentials. A handbook for NGOs.

Top ten reasons for good financial management (Lewis, 2017)

1. To be accountable to the people who give us money: With good financial reporting systems, it is easier to show donors and supporters that we are using their money for the purpose intended.
2. To be accountable to the communities we work with: We have a moral obligation to show that funds are being used correctly.
3. To be able to produce financial statements for regulatory bodies: As part of the registration process, NGOs are required to be accountable for the money they raise and spend.
4. To minimise fraud and abuse of resources. internal controls help to stop fraud and protect the staff and the assets.
5. To plan for the future and become more financially secure: Financial information helps identify financial risks and long-term financing opportunities.
6. To enable staff to make better decisions on the use of funds: budget monitoring reports enable managers to monitor performance so far and take decisions on using resources going forward.
7. To achieve the objectives of the organisation: The management team and Board need financial information to ensure they are meeting the goals of the organisation and following the strategic plan.
8. To enhance the credibility of the organisation: If you demonstrate financial accountability and transparency, this will inspire confidence and trust in stakeholders.
9. To strengthen fundraising efforts: NGOs that present good budgets and audited financial statements with funding proposals are more likely to receive a favourable response.
10. To get better value for our money: Financial information allows us to compare and assess spending plans to make sure we make efficient, effective and economic use of financial resources.

10. Fundraising

The survival of NGOs depends on capturing public and private resources, outside the target groups, and through very different mechanisms. However, the search for funding must be consistent with the mission and vision of the organization and must be consistent with the groups with which it works.

The public financing comes mainly from four ways: the subsidy, the agreement, the contracts and the signing of agreements. The subsidies are announced annually by the public authorities. It is essential, therefore, to have specialist professionals, in project formulation, who can submit the pertinent requests for subsidies (or for the award of tenders, agreements ...) to the Public Administrations. Agreements for services, contracts and agreements generate more certainty in NGOs, as they tend to be more stable. Regarding the raising of private funds, the objective is to obtain and retain donations and membership fees, especially through communication campaigns and initiatives, in which economic investments and creativity occupy a place of great value. It should also be added that the sale of objects that serve as "souvenirs" (in campaigns, awareness-raising activities ...), Fair Trade products or compensation for goods and services include other sources of financing; whose weight, depending on the type of activity or specific NGO, can vary substantially.

Fundraising in the Code of the Third Sector

Third Sector Organisations in Italy can support themselves mainly through structured fundraising modalities and/or access to public funds. Besides, there are also other opportunities connecting the non-profit world with that of both small and large companies on the territory: corporate volunteering and CSR (Corporate Social Responsibility) activities.

The Code of the Third Sector juridically formalizes fundraising, by providing detailed regulations, by considering it as an activity carried out in a stable and organised form, and also by implementing adequate reporting forms.

Art. 7 of the Code provided for the first time a definition: fundraising refers to all initiatives carried out by a TSO in order to fund its own activities of general interest, even by asking third parties for bequests, donations and contributions of a non-corresponding nature. TSOs can organise fundraising activities, even in an organised and continuative way, by asking for public support or through the transfer of goods and services of a low value, by using their own resources and third parties' resources (including volunteers and employees), provided that principles of truth, transparency and precision in the relation with supporters and the public are respected. Fundraising activities must be reported according to the general financial report regulations. In particular, in case of public fundraising campaigns on the occasion of awareness building initiatives and special occasions, TSOs must include a specific reporting document where revenues and expenditures linked to each activity are presented in a clear and transparent way. Transparency is fundamental also for one's own reputation and credibility. Research show that organisations which communicate as much as possible to the public are more appreciated, especially if they make their data visible and thus becoming more trustworthy to the eyes of private and institutional donors.

Other fundraising modalities are:

- Access to **public financial resources**;
- Request to allocate "5 per mille" or other forms of support by Foundation "Italia Sociale".

Moreover, TSOs can receive the right of use public buildings on loan or in concession, even for single initiatives.

According to current regulation, the State, regions and autonomous territories are called to promote the most suitable initiatives to foster TSOs' access to the financings of the European Social Fund (ESF) and other European funds.

Here are some specific cases:

- Public Fundraising Campaigns: They are a particular type of fundraising activities, consisting in the release (even by selling them) of goods and services of a little value on the occasion of celebrations, festivities and awareness building campaigns. These events are not considered commercial activities, even where goods and services are sold at a certain price, because they can be organised only occasionally. Non-commercial TSOs which put in place this specific type of fundraising in the course of the year must draft a specific financial report with an illustrative document for each fundraising campaign.
- 5 Per Mille: It allows contributors to devolve, contextually to tax return, a sum amounting at 5*1000 of the IRPEF tax to organisations carrying out socially relevant activities. Organisations benefitting of this measure are subject to specific reporting and transparency obligations, according to the Presidential Decree of 23/07/2020.

- Foundation "Italia Sociale": Originated in 2017 by will of Italian State, in order to become a national foundation aimed at increasing private resources allocated to social initiatives and projects with an impact on the whole country. Foundation Donor Italia is one of the main actors engaged in philanthropic intermediation in order to support individuals, enterprises and non-profit organisations, in particular through the creation of philanthropic funds (Donor Funds) and the support in international donations. The Foundation offers services and skills to implement philanthropic "personalised" projects through the creation of an individual philanthropic fund, which reflects the will of the donor himself/herself, who does not need to have his/her own foundation. The Foundation facilitates international donations, by offering donors (both individuals and enterprises) to support foreign organisations and to benefit of tax benefits in their own country.
- Philanthropic Organisations: The economic resources necessary to carry out their activities mostly come from public and private contributions, donations, bequests, property incomes and fundraising activities used to achieve statutory goals. In the case of philanthropic organisations, the instrument of incorporation should specify principles one should comply with in the management of resources and money coming from fundraising, besides modalities to distribute money, goods and services.
- Social Enterprises: the reform includes specific norms for social enterprises, by giving them the possibility to access capital fundraising through telematic portals, as it happens in case of innovative start-ups, and by putting in place forms of support aimed at fostering capital investments.

Donation

It is a tool to activate citizen solidarity, which allows non-profit associations to obtain means to finance projects that contribute to mitigating inequalities, face natural or humanitarian catastrophes or help improve the situation of vulnerable groups. NGOs seeking funds from donors need to clarify and align/link their needs to specific donor priorities and themes, and not send out a generic fund request that is same for every donor. Current norms implement fiscal incentives, in the form of deductions and exemptions, for all those actors who made a donation to the Third Sector.

Wired Impact organization offers several materials that can help you to boost donation:

- 31 Ways to Boost Your Nonprofit's Online Fundraising

- Online donation system
- Donor Flow optimiser for non-profit websites
- 9 common mistakes in digital Fundraising
- 10 Great non-profit donation pages

The Solidarity Will is a new way of donating. In the joint will, an NGO or several NGOs are designated as the heir or legatee, so that it receives a part of the assets that make up the inheritance, to be used for humanitarian projects.

There are some entities like Global Giving that connects non-profits, donors, and companies in nearly every country in the world. They help fellow non-profits access the funding, tools, training, and support they need to serve their communities.

Membership fees

Membership fees offer great economic stability to NGOs and help them to continue their work.

Crowdfunding

Collective financing through crowdfunding or crowdfunding campaigns, such as Teaming or iHelp, allow the support of specific entities or projects. Crowdfunding is the practice of funding a project or venture by raising small amounts of money from a large number of people, typically via the Internet. There are two primary types of crowdfunding: reward-based, when entrepreneurs presell a product or service to launch a business concept without incurring debt or sacrificing equity/shares, and equity crowdfunding, when the backer receives shares of a company, usually in its early stages, in exchange for the money pledged.

The web-magazine ItalianCrowdfunding offers information about crowdfunding and platforms to invest and raise capital online.

Income-generating activities

These sources can include membership or subscription fees, publications, sale of products, in-Kind contributions, including volunteer staff time, training and consultancy etc. that are usually generic or non-project specific. While an NGO may implement a single "project" over a period of time (that may be funded by external donors), the project itself may present a number of opportunities for the NGO to generate additional funds as well as in-kind contributions outside the project framework. For example:

- Training sessions and seminars can generate participation fees and sponsorships.

- Publications and other products generated from a project could potentially be sold to generate additional cash.
- Public events such as symposia or conferences could be opportunities to solicit donations from the general public.
- Corporate entities could contribute to a project and/or the NGOs overall activities by seconding staff members as in-kind contributions (which will save staff costs for the NGO).
- Merchandising (t-shirts, etc.)
- Fairtrade products selling.
- Compensation for other services.

Such resource generation will not only help in delivering the project's goals and outcomes but will also provide opportunities for the NGO to generate funds that can be used beyond the project.

Subsidies/ grants

European funding sources

Approximately 80% of EU funding sources for NGOs are managed by EU countries themselves. Each country provides detailed information about funding and application procedures on the websites of the managing authorities. The rest are managed by the Commission or other EU bodies. European Union funds NGOs through different Funds.

Social inclusion, gender equality and equal opportunities*:* NGOs working in these fields may benefit from European Social Fund (ESF) support. These funds are managed by the managing authorities in an EU region or country.

Culture and media*:* The Creative Europe programme support initiatives related to the European audiovisual, cultural and creative sector. The programme consists of two sub-programmes: Culture and MEDIA. The Culture sub-programme opportunities cover a diverse range of schemes: cooperation projects, literary translation, networks and platforms, while the MEDIA sub-programme provides financial support to help the EU film and audio-visual industries develop, distribute and promote their work. It also funds training and film development schemes. The Creative Europe programme is managed by the Education, Audiovisual and Culture Executive Agency (EACEA).

Foster citizenship and civic participation*:* The Europe for Citizens programme has two main goals: to help the public understand the EU, its history and diversity, and to foster European citizenship and improve conditions for democratic and civic participation at EU level. The programme is also managed by EACEA.

Research and innovation*:* The Horizon 2020 Programme will not open new calls. This programme has provided funding for projects covering areas such as health, demographic change, food security, sustainable agriculture and forestry and marine, maritime and inland water research. It is managed by the Executive Agency for Small and Medium-sized Enterprises (EASME). NGOs could also apply for projects under 'Smart green and integrated transport' and 'Secure, clean and efficient energy', two other components of the H2020 programme which are managed by the Innovation and Networks Executive Agency (INEA).

Horizon Europe is the new research and innovation framework programme, running from 2021-2027. The EU institutions reached a political agreement on Horizon Europe on 11 December 2020. On this basis, the European Parliament and the Council of the EU proceed towards the adoption of the legal acts. The first Horizon Europe Strategic Plan (2021-2024) is expected to be adopted in February 2021. The first work programmes are expected to be published by April 2021. It is possible that the work programmes for the European Research Council (ERC) and European Innovation Council (EIC) will be published earlier. The first calls will open once the work programmes have been published.

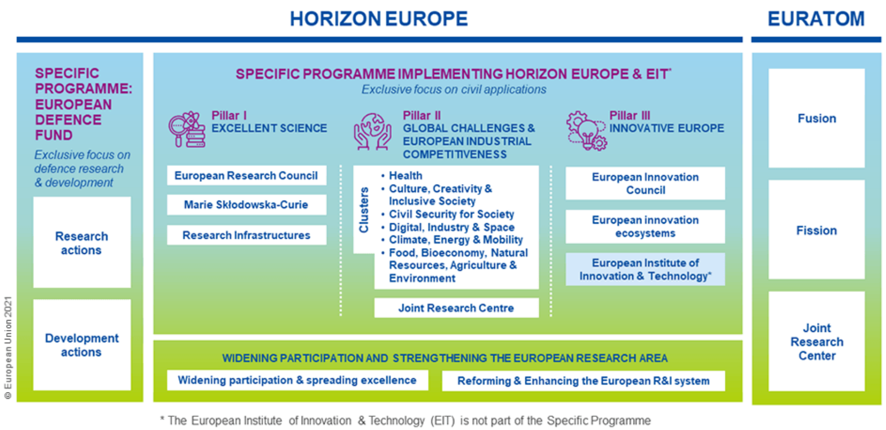
Horizon Europe consists of three pillars and one horizontal activity: Pillar I Excellent Science, Pillar II Global Challenges and European Industrial Competitiveness, Pillar III Innovative Europe, horizontal activity Widening Participation and Strengthening the European Research Area.

"Global Challenges and European Industrial Competitiveness" will be reached through projects submitted under calls for proposals related to 6 different clusters (under Pillar II):

- Cluster 1: Health;
- Cluster 2: Culture, Creativity and Inclusive Society;
- Cluster 3: Civil Security for Society;
- Cluster 4: Digital, Industry and Space;
- Cluster 5: Climate, Energy and Mobility;
- Cluster 6: Food, Bioeconomy, Natural Resources, Agriculture and Environment.

Of particular interest for Green NGOs and organisations are Cluster 5 and 6.

You can download the [Presentation outlining Horizon Europe]() in 23 languages.



Preliminary structure of the Horizon Europe Programme. Source: EASME

Development and humanitarian aid*:* NGOs can get funding under most of the thematic or regional programmes managed by the Commission's department dealing with [international cooperation and development]() (DEVCO). NGOs are also eligible for [funding for humanitarian aid and civil protection]() activities through the Commission's department dealing with humanitarian aid and civil protection (ECHO).

Transport, energy and ICT*:* Some funding areas of the [Connecting Europe Facility]() (CEF) are open to NGOs. The CEF programme is managed by the Innovation and Networks Executive Agency ([INEA]()).

LIFE programme – Environment: The LIFE programme is the EU's funding instrument for the environment and climate action created in 1992. The LIFE programme is divided into two sub-programmes, one for environment (representing 75% of the overall financial envelope) and one for climate action (representing 25% of the envelope). You can find all the information [here]().

- The **environment sub-programme** funds: Nature conservation projects, in particular in the areas of biodiversity, habitats and species; Environment and resource efficiency projects, in particular in the areas of air, chemicals, green and circular economy, industrial accidents, marine and coastal management, noise, soil, waste, water, and the urban environment; Environmental governance and information, in the areas of awareness raising, environmental training and capacity building, legislative compliance and enforcement, knowledge development and public and stakeholder participation; Integrated projects, to achieve full implementation of Strategies or Action Plans required by the EU environmental and climate legislation; Preparatory projects address specific needs for the development and implementation of EU environmental policy and law; Technical assistance projects provide action grants and financial support to help applicants prepare integrated projects.

- The **climate action sub-programme** supports projects in the areas of renewable energies, energy efficiency, farming, land use, and peatland management. It provides action grants for best practice, pilot and demonstration projects that contribute to the reduction of greenhouse gas emissions, the implementation and development of EU policy and law, best practices and solutions. It co-finances projects in the areas of resilience to water scarcity, droughts, forest fires or floods, adaptive technologies for economic sectors, and safeguarding natural resources. It funds projects in the areas of awareness raising, training and capacity building, law compliance and enforcement, knowledge development and stakeholder participation.

Any entity registered in the EU can make a proposal for LIFE traditional, integrated, preparatory, and technical assistance projects under both subprogrammes: public body operating under a national government's authority, e.g. local authority, national administration etc.; private commercial organisation; private non-commercial organisation (NGOs etc.).

EASME manages 4 funding programmes, partly or in full, on behalf of the European Commission. Through these programmes, EASME offers EU-funding and other types of support to companies, small businesses, researchers, non-governmental organisations and public bodies in order to help them with projects that create jobs and growth and help Europe move towards a sustainable, low-carbon economy that respects nature. The next call for proposals for operating grants of EASME to support non-profit making entities in view of concluding framework partnership agreements (FPAs) and specific grant agreements (SGAs) will be published in late spring 2021. Information here.

In this website to find calls for a specific topic https://ec.europa.eu/info/funding-tenders/funding-opportunities/find-calls-funding-topic_en

ERASMUS +: provides opportunities for almost anyone in the field of education: teachers, trainers, students, professors, universities and businesses. The 2021-2027 programme places a strong focus on social inclusion, the green and digital transitions, and promoting young people's participation in democratic life. Erasmus+ is open to many individuals and organisations, although eligibility varies from one action to another and from one country to another. For specific funding opportunities and application procedures within the Erasmus+

programme, please visit the European Education and Culture Executive Agency's website or consult your National Agency. https://ec.europa.eu/programmes/erasmus-plus/

On March 2021, the European Commission published the Erasmus+ Programme Guide for 2021, effectively inaugurating the new seven-year program for the period 2021-2027.

The most important novelty for NGOs' sector is the introduction of calls specifically addressed to NGOs within KA2 calls managed by EACEA. These calls are:

- ERASMUS-EDU-2021-PCOOP-ENGO: Cooperation partnerships in the fields of education and training submitted by European NGOs.
- ERASMUS-YOUTH-2021-PCOOP-ENGO: Cooperation partnerships in the field of youth submitted by European NGOs.

For both calls, applicants have to submit their grant application to EACEA by 20 May 2021. It is reasonable to assume that these calls specifically addressed to NGOs will also be re-opened in the following years.

For more info please refer to the official Erasmus+ Programme Guide 2021: https://ec.europa.eu/programmes/erasmus-plus/resources/documents/erasmus-programme-guide-2021_en

For a definition of what is considered a European NGO for the purpose of the Erasmus+ Programme, please see "Part D – Glossary" of this Guide (page 317).

Erasmus for young entrepreneurs: is a cross-border exchange programme which gives new or aspiring entrepreneurs the chance to learn from experienced entrepreneurs running small businesses in other Participating Countries. The exchange of experience takes place during a stay with the experienced entrepreneur, which helps the new entrepreneur acquire the skills needed to run a small firm. The host benefits from fresh perspectives on his/her business and gets the opportunities to cooperate with foreign partners or learn about new markets. All the information here: https://www.erasmus-entrepreneurs.eu/index.php?lan=en

COSME Programme: the European programme for young entrepreneurs aims to make it easier for small and medium-sized enterprises (SMEs) to access finance in all phases of their lifecycle – creation, expansion, or business transfer. Thanks to EU support, businesses have easier access to guarantees, loans and equity capital. EU 'financial instruments' are channelled through local financial institutions in EU countries. To find a financial institution in your country, visit the Access to Finance portal.
https://ec.europa.eu/growth/smes/cosme_es

EEA GRANTS - NORWAY GRANTS, Financial Mechanism Office - The EEA and Norway Grants are funded by Iceland, Liechtenstein and Norway. The Grants have two goals – to contribute to a more equal Europe, both socially and economically – and to strengthen the relations between Iceland, Liechtenstein and Norway, and the 15 beneficiary countries in Europe. https://eeagrants.org/?fbclid=IwAR2zO6RVxp8oVBu0Hyg92Ntd3xuisIb1QItkPwX63i-gVGf41QVDNEecLDs

Other Grant Sources

- **Multilateral Development Banks** are international banks or agencies that fund agencies for specific causes.
- **International Foundations:** One can apply or ask many international organizations for funding if you meet the criterion. Much like an NGO, these organizations are also dependent on donations and gifts.
- **Development Assistance Agencies:** If you are a young NGO just breaking into the world of aid, you can look for development agencies in local countries.
- **Government Funding**: In most developed countries, a certain percentage of the GDP is set aside to help NGOs fighting for a specific cause.

These are some funding opportunities:

The Arctic Fox Initiative – Annual opportunity to fund NGOs around the world dealing with environmental protection and promoted by Fjällräven: https://foxtrail.fjallraven.com/articles/an-introduction-to-the-arctic-fox-initiative/

National Geographic Society- Funding opportunities for projects dealing with nature conservation and communication between scientists. Usually the funding is for individuals but can also be received by organisations with more member: https://www.nationalgeographic.org/

The Global Fund Foundation- Organisation that focuses exclusively on the development of a charitable global community with a central focus on the development of people: https://www.theglobalfund.org/en/private-ngo-partners/resource-mobilization/united-nations-foundation/

Terra Viva Directory Grants – Platform looking for information needed with grants for village, application, time and natural resources questions: https://terravivagrants.org/

Funding & tender opportunities– Platform that contains information on many funding opportunities available, according to different areas of action, such as AMIF, BMVI, CREA, etc. It also contains information on calls for proposals:

https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/home

In the website FundsforNGOs you can find other funding sources.

Tips when applying for grants

There are common reasons why subsidies or grants are declined. We offer here some tips.

1. The organization does not meet our priorities: Research before applying.
2. The organization is not located in our geographic area of funding: Get the guidelines before applying/at least check the grants guide.
3. The proposal does not follow our prescribed format: Read the application information very carefully and follow it exactly.
4. The proposal is poorly written and difficult to understand: Have friends and experienced people critique the proposal.
5. The proposed budget and grant request are not within our funding range: Look at average size of grants of the funder.
6. We don't know these people—are they credible? Set up an interview before submitting the proposal and have board members and other funded organizations give you credibility.
7. The proposal doesn't seem urgent and I'm not sure it will have an impact: Study the priorities and have a skilled writer do this section to make it "grab" the funder.
8. The objectives and plan of action of the project greatly exceed the budget and timelines for implementation: Be realistic about the programs and budgets—only promise what can realistically be delivered for the amount requested.
9. We've allocated all the money for this grant cycle: Don't take this personally. It is a fact of life. Try the next available grant cycle.
10. There is insufficient evidence that the program will become self-sufficient and sustain itself after the grant is completed: Add a section to the proposal on plans for sufficiency and develop a long-term strategy.

Collaboration NGO-Business:

Corporate Social Responsibility (CSR)

Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. Businesses can improve their social and environmental performance and find new market opportunities through partnerships with NGOs and NGOs can get funding for projects.

The knowledge, expertise and capabilities of NGOs and corporations are different and may be complementary. Together, NGOs and companies can often accomplish more than they could alone. But misunderstandings and other obstacles can prevent partnerships from reaching their potential. These collaborations began simply as a reaction to social and environmental issues then grew into a sustainable response to these challenges.

In the early stages of collaboration, the company fundamentally seeks to improve its image or reputation and there is little alignment with its strategy. The company sees the NGO as a recipient of donations and not as an agent with which to develop projects. But increasingly, private companies will go beyond CSR to build social impact projects that contribute to improving society.

Factors that drive collaboration

The first factor that drives collaboration between NGOs and businesses is “alignment”, which refers to organizational fit in the form of similarity of partners’ values, willingness to respect the partner’s values if different, and compatibility of partners’ objectives and strategies.

The second factor is trust building. Consider using the services of credible organizations to build businesses’ confidence in NGO, improve communication and information sharing and share resources for skills transfer.

Strategic alliances

A strategic alliance is a collaboration characterized by the fact that any of its participants brings into play key competencies to achieve shared objectives. All the actors bring to the alliance a basic element (which can be in the form of capacity, resources, skills or knowledge), which contributes significantly to achieving the desired objective and without which it would be more difficult (or impossible) to achieve. Strategic alliances are built around an issue that has strategic value for all its partners. The participants commit themselves, in a lasting way, to a project that has meaning and value in itself, beyond the contributions made by its partners (Abenoza et al. 2015).

On the one hand, it is essential that the NGO analyses the company's CSR and design an activity aligned with its mission. Likewise, it is necessary to analyse how to project the image of both entities and how to communicate the project in business language. It is also important that the proposal proposes a clear mutual benefit and that the NGO is transparent with respect to the results, expenses and impacts achieved. Finally, small NGOs are advised to look for companies that are also smaller and have a local impact.

Types of collaboration

There are 4 types of collaboration (Abenoza et al. 2015):

1. Join efforts and gain efficiency in a sustained way: are those strategic alliances in which the efforts and resources of the two (or more) institutions involved are grouped together, with the aim of achieving a joint initiative that is more efficient than by separately. They need a long-term approach.
2. Improve the quality of social intervention through complementary skills: are those that unite companies and NGOs, which share differentiated competencies, to solve a social problem. Thanks to this complementarity, they manage to execute projects that they could not carry out separately with the same level of efficiency.
3. Generate social innovation: jointly develop new products, ideas, technologies, strategies or services that have a clear social impact, thanks to the combination of the knowledge, skills, fields of action and experience of each of the partners.
4. Promote local and global changes: Their objective is to achieve certain changes or improvements in social and / or environmental action practices in a specific area, either at a territorial or operational level (for example, a certain sector of business activity).

The decalogue of company-NGO collaboration (Abenoza et al. 2015)

Before

• Know "in depth" both entities (company and NGO).
• Define a policy of approach to the company.
• Present the collaboration project in a structured and attractive way.

Start

• Define a SWOT to analyse the possibilities of the relationship.
• Achieve a win-win relationship.
• Do the strategic planning of the collaboration.
• Promote an alliance commission.
• Manage the expectations and requirements of both parties.
• Empathize with the counterpart.

During

• Encourage the active participation of the company.
• Work on transparency, joint vision and mutual knowledge.
• Promote external and internal awareness.
• Take care of the relationship beyond the project itself (build loyalty).
• Build trust.
• Continuously evaluate and measure collaboration.
• Have two valid interlocutors who use the same vocabulary.

The decalogue of company-NGO collaboration (Abenoza et al. 2015)

Final

• Evaluate the results; assess the impact of successes and mistakes.
• Carry out internal and external communication of the project evaluation.
• Make visible the role that the company has played (celebrate the achievements).
• Make a technical balance of the collaboration.
• Be accountable with transparency.
• Plan the outing.

After

• Lead a change in the sector.
• Maintain a fluid communication line with the company in the general activities of the entity.
• Carry out a strategic reflection on the future.

11. Collaborative approach in NGOs

Collaborative approach

Although many entities are linked or work with others, it is important to know if this helps them achieve their mission and if their social impact increases or allows them to be more efficient in their work.

The collaborative approach is based on the idea that in an environment such as the current one, collaborations are a useful and sometimes indispensable instrument for NGOs to advance in the fulfilment of their mission and expand their impact. Despite the interest of this approach, it is not predominant in the NGO sector today and it is not the approach from which all organizations must make decisions at all times, but it is a way of approaching the analysis of reality and build interesting responses to the challenges of today's social world (Iglesias y Carreras, 2013).

Using a collaborative approach implies, among other things, going beyond the entity itself and overcoming organizational limits when evaluating available capacities and resources. This forces to make an additional effort to know the resources and capacities available in the environment and to imagine the possible existing combinations, which allow to enhance and multiply the results.

Cooperation at the operational level remains a challenge for NGOs, but it is complex. There are different barriers when applying it, such as the division of the sector by an approach based on the differentiation of vulnerable groups, resistance to change, diversity of interests, different organizational cultures, etc. It also appears that there are few synergies between some more flexible and innovative entities and others more conventional and more resistant to change.

Due to the fragmentation of the sector, there are entities that work in the same place and with similar objectives, similar projects with few possibilities of achieving impacts, tools, management systems or training actions that are not shared. There are also few common initiatives aimed at lowering management and fixed costs - such as purchasing centres, outsourcing services, etc. -. There is still much to improve in this regard. In the medium term, it is important to consider the benefits that a more intense collaboration, for example through strategic alliances and mergers, can bring to the sector and help it respond more effectively to the needs of society. A collaboration is significant when it creates strategic value for the participants and the results exceed the value of the sum of the individual contributions, in addition to increasing the capacities of each entity (Iglesias y Carreras, 2013).

In this section we want to provide concepts and examples on how to integrate the collaborative approach into NGO strategy.

Why do NGOs collaborate?

NGOs collaborate to:

1. Gain institutional capacity: gain scale serving the same purpose, access complementary resources, knowledge and skills, generate innovation and mutual learning and development, and replicate projects and programs;
2. Gain access to new areas of action, geographic location, recipients and other funders;
3. Increase the volume of resources, skills and
4. skills made available for mission and impact;
5. Generate an environment and an ecosystem favourable to the mission and the intended impact;
6. Gain positioning and legitimacy and reinforce the image;
7. Increase efficiencies, avoid duplication and reduce costs.

NGOs must make a rigorous reflection about their long-term vision and their role in a constantly changing society. Is collaboration at the core of the strategy of the organization? Or is it one more strategy together with the rest of strategies for achieving the mission? The answer will allow us to know the collaborative level that should dominate decision-making.

Good practices

Some actions to advance in a more operational cooperation can be:

- Entities initiatives to jointly develop and apply management tools, joint training, outsource processes, etc.
- Joint projects between various entities or projects in which the entities act in a complementary manner at different times in the process.

If you are interested in implementing your project in a partnership with NGOs, NGO Partnership website offers online database of NGOs from all of Europe that will help you find the right organisation in just a few steps.

The World Food Programme offer to partner with them and has a lot of experience in partnering along the programme LIFE.

12. Communication

Communication plan

It is very important for an NGO to create a communication plan that accomplishes even your most aspirational goals. NGO communication plan is an important piece of your strategy and help keep your NGO organized, accountable and innovative.

In order to reach your most aspirational goals, you'll need to set them. The first step is to make good objectives that must be concrete and measurable. We can differentiate goals (general objectives in long-term, more strategic) and operative objectives (more specific and addressed to action). To help us to establish the objectives we can use the SMART technique to create specific objectives measurable, attainable, relevant and time-based.

As you think through your plan as a whole, consider piecing it together to **include mini-plans for your most important components**. Dig into the resources below to start planning out each of the components you'd like to include.

Blogging strategy: https://wiredimpact.com/blog/nonprofit-blogging-strategy/

Newsletter: https://wiredimpact.com/blog/nonprofit-newsletter-best-practices/

Use automated emails to cultivate new supporters: https://wiredimpact.com/blog/automated-emails-cultivate-new-supporters/

Google Ad Grants: https://wiredimpact.com/blog/google-ad-grants-strategy/

Better email Newsletter strategy https://wiredimpact.com/blog/email-newsletter-strategy-nonprofit/

Fundraising on Social Media: https://wiredimpact.com/blog/fundraising-on-social-media/

Landing pages: essential elements and management tips https://wiredimpact.com/blog/nonprofit-landing-pages/

Promote events: https://wiredimpact.com/blog/how-to-promote-a-nonprofit-event/

Non-profit Marketing strategy template https://docs.google.com/spreadsheets/d/1nE3IMrVo5xeV9BQbwZv3dXS4i_GaWCpGkAireiPaWf4/edit#gid=957927704

Web contents and landing page

Website content

The information you provide on each page is a critical part of reaching your marketing and fundraising goals. Great content translates into results, whether your goals are to boost donations, build awareness for your programs or recruit volunteers. Website content is the foundation of marketing in this modern age — a time when people have incredible appetites for learning but won't wade through walls of text.

There are several pages that are typically found in most non-profit website structures, like About Us, Programs and Get Involved. WiredImpact has created a content checklist for these essential webpages as well as other common webpages for non-profit websites:

About Us: As one of the first stops made by a website visitor, the About Us page can also be one of the last pages to get much love from an organization. It tends to be a dumping ground for miscellaneous content without much purpose. An example: https://www.worldwildlife.org/about

Mission and Vision: Well-crafted mission and vision statements can inspire people to engage with your organization and deserve a well-thought-out place on your website. While the mission and/or vision statement may show up in other places on the site, it's a good idea to give the two a home of their own where visitors can learn more in depth about what the current and future goals are for your non-profit. Use this opportunity to explain how your work is moving toward your mission and vision and teasing the impact you've had so far. Consider designing your mission and vision page in a way that draws visitors in and makes it both easy and interesting to learn about the foundation your organization is built upon. Make your page stand out with photos showcasing how you serve your community. Or create a video that tells viewers what drives your non-profit and why you do what you do every day. If you're looking for inspiration, here are some examples of non-profits with well-designed, compelling mission and vision pages:

https://www.specialolympics.org/about/our-mission
https://love146.org/mission-vision/
https://www.brightpink.org/about-us/mission/
https://malt.org/mission-history/

History: Sharing the history of your organization gives you a chance to describe the background of an issue or the compelling scenario that led to the founding of your non-profit. By adding a History page, you can keep your About Us page from getting too cluttered and create a place to document exciting milestones. An example:
https://www.worldwildlife.org/about/history

Financials: Donors are looking for financial information, and it's a key part of their decision-making process. The website provides Reasons to Include Non-profit Financials in your website and examples:

http://worldwildlife.org/about/financials
http://invisiblechildren.com/financials/

Impact: Communicating your non-profit's impact is crucial to winning over supporters. Although informative, your Financials and About Us pages aren't the most compelling ways to show what your non-profit has achieved. An Impact page is a chance to report on your accomplishments in a way that makes your mission come to life and inspires past, current and potential supporters. The website includes Resources for Tracking Your Non-profit Impact. Some website examples:

https://www.ecologyproject.org/our-impact
https://www.sfmfoodbank.org/blog/
https://rednoseday.org/our-impact
http://lafh.org/impact/

Staff: putting a face to who is behind your cause is a must. The lifeblood of volunteers and the generosity of donors can depend a lot on how well a non-profit can make connections to these important supporters. Your Staff page is an untouched, untapped place to start building that relationship. Let staff members write their own bios and their connection to the non-profit. Example: https://ngocsw.org/about-us/staff/

Press: In today's media world, reporters are under a lot of pressure to find and publish stories on tight deadlines with limited resources. A good non-profit Press page helps your organization demonstrate its leadership and approachability when a reporter comes calling. It's also a way to reinforce your credibility with current and potential supporters. Here you have a Press page checklist. It will include contact information, background, press releases, multimedia files, testimonials, awards, RSS feed, etc. Some examples:

https://wiredimpact.com/category/web-content/
http://www.parksconservancy.org/about/press/
http://www.specialolympics.org/Press/Press_Room.aspx

Partners: Typically found in the About Us section of a non-profit website, a Partners page is a way to acknowledge your collaborators, sponsors and important funders. A Partners page also presents an opportunity to build credibility for your organization by featuring third party endorsements and linking to other reputable websites. Some examples:

https://www.unitedway.org/our-partners
https://www.operationwarm.org/our-partners/

Programs/projects: Depending on your organization, this page could be called Programs, Services, Issues, How We

Help, Our Approach or something similar. Basically, it's a top-level page that serves as an umbrella for the sub-pages that describe what you do in greater detail. The organisation offers a best practices page and some examples:

http://www.layc-dc.org/what-we-do/
https://www.togetherwerise.org/how-we-help

Get Involved: The Get Involved page lets visitors explore their options for support, learn a bit more about your non-profit and get comfortable with the decision to take some sort of action. From here, they should be able to click on links to related pages, like Donate and Volunteer, to get the details and next steps. Here some examples of webpages:

http://www.waterislife.com/you-wil/change-it
https://girlup.org/take-action/

Donate: Getting website visitors to donate online is hard. It's difficult to drive visitors to your website in the first place. Once a visitor is on your site, it's tough to inspire them and get them invested in your cause. Even after they're invested, it's no easy feat getting them to decide to support your non-profit with a financial contribution. It takes more than a user-friendly donation form to create a donor-friendly experience. Your form is incredibly important, but you need to get people to start filling out that form in the first place. Your Donate page needs to establish your credibility, maintain the trust you've gained and reinforce the urgent need for their support. Your Donate page should contain a compelling call to action, explain the options to get involved in a simple way (links to more in-depth information), offer financial transparency (link to financial page) and a link to your contact page for welcome questions. Here some tips and examples.

https://donate.natureconservancy.ca/page/25744/donate/1
https://camfed.org/donate/
https://invisiblechildren.com/donate/
https://support.worldwildlife.org/site/SPageServer?pagename=main_onetime&s_src=AWE1700OQ18618A01526RX
https://act.audubon.org/a/join?ms=digital-fund-web-website_nas-topmenu-how-to-help_join_20200800

This website provides information and tips for the essential web page content for non-profits: https://wiredimpact.com/guide/essential-web-page-content-nonprofits/ .

You can download and edit their checklist for web page contents: https://docs.google.com/document/d/1DOkt9Zqzt43iaLbGnfYxmohoTBYbYjqFxOrNUwk6zxM/edit.
They also offer a Beginner's Guide to Non-profit Website Content, with tips for beginners, crafted from years of working with clients across the sector https://wiredimpact.com/guide/beginners-guide-nonprofit-

website-content/, and some tips for writing website content http://wiredimpact.com/wp-content/uploads/2017/09/Nonprofit-Website-Content-Checklists.pdf.

Website structure

A logical and straightforward website structure is a central piece of any highly effective non-profit website. You could have the best content in the world, but if that content is tough for your visitors to find, they won't hunt for it. We are essentially talking about how you organize the pages and subpages of your website. WiredImpact has created a guide to help you with your website structure.

In Spain, there is a free tool provided by Bankia, to make an auto diagnosis of your website, Indicex Social. It allows to analyse your website in a simple way from several viewpoints, such as mobility, transparency of the information, digital marketing, etc. The value of this assessment is both in the "doing" and then what you do with your answers to the questions. You do need to keep in mind the maturity of your organization and not expect that a newly formed NGO have in place many of the mechanisms and structures mentioned in the assessment form. But this does give the interested NGO leader, a way to monitor your NGO's development and also to take note of various aspects of NGO work that might be implemented.

Managing social media accounts

Social media is an important aspect of growing a digital audience for your non-profit. We see a lot of young Non-profits start out on Facebook before launching their first website. It's a great way to build awareness for your cause and attract new supporters. Here some tips. The Facebook News Feed algorithm has the power to put your content front and centre or at the bottom of the content pile. Put your page's data to good use by digging into your Facebook Page Insights. Find out where to look for metrics that can help you identify the effects of the update on your page's reach. From there, you'll be able adjust your strategy based on what works and what doesn't for your Non-profit. There are plenty of other ways to give your page some love: Do Some Tab Maintenance, update your look, check your engagement level, set a Policy about Facebook Fundraisers (donate button), start thinking about Facebook groups.

Managing multiple social media accounts can be a hassle, and if your organization has a small team it can be even more stressful to keep up with posting and creating content. Wholewhale propose a list of favourite social media management tools that make managing different accounts a breeze, like Sprout Social, Hootsuite, Later, Buffer, Canva, AgoraPulse and BuzzSumo. Some offer discounts or free account subscriptions for Non-profits.

How to measure the impact of communication

Why should we measure our communication? Generally, small NGOs are used to carrying out communication actions without a prior plan that sets the communication objectives to be achieved and the evaluation actions and indicators. However, measuring our communication actions is key for multiple reasons:

- It allows us to know if the resources used in communication are sufficient, we are wasting them, we need more, use them in another way ...
- We will be able to know if the time we spend on communication tasks is enough to meet our objectives.
- We will know if our communication channels are the most adequate to reach who we want to address.
- We will be able to know if our messages reach our audience, are understood, generate impact ...

Therefore, we must include in our Communication Plan an evaluation section through the various channels. To help us in this work, it is useful to establish evaluation indicators when we establish our communication objectives. Once we are clear about our objectives, we can analyse one by one and extract the indicators that will help us analyse the degree of compliance as well as the data and channels to consult. Defining these indicators will help us to know which sources to consult or which tools to use.

The **evaluation indicators** are specific and quantifiable data that allow us to know the degree of fulfilment of an objective. We can classify the evaluation indicators into quantitative (quantifiable information such as number of visits to our website, people registered for a newsletter, opening and click rates ...), and qualitative (focused on measuring aspects more related to quality: degree of understanding of our messages, what the comments received say, relevance of our content for our audience ...).

It is also possible to distinguish between process indicators (which aim to measure the «during» of our communication strategies: time spent on communication tasks, people involved, changes in the budget ...), and result indicators (which measure the impact of our actions: people who buy a product or service, attending a promoted event, downloading a publication ...).

Some actions to systematize the task of measuring and monitoring communication are: creating data log templates for the various channels where you communicate, making a list of the data that you find useful to monitor, scheduling the times to measure your communication.

Communications monitoring, evaluating and learning toolkit by ODI (Overseas Development Institute): this learning **toolkit** provides a framework to think about communications monitoring, evaluation and learning, and provides example questions, indicators and tools to do it.

https://www.odi.org/sites/odi.org.uk/files/long-form-downloads/odi_rapid_mel_toolkit_201801.pdf

13. Steps to create an association

The procedure to set up an Association is relatively easy, while it is more complex to manage it over time. Choosing the most suitable legal form is the first step: in fact, in Italy you can choose between recognised and non-recognised associations.

In the following paragraphs the main steps to follow when creating an association in Italy are listed.

Step 1. Gathering funding members

Associations are groups of people who share common interests and goals; the first step, therefore, consists in gathering an appropriate number of founding members. In order to set up an association it is necessary to start with at least three associates, so that the Board of Directors can be established and the roles of president, vice president and secretary are covered. On the occasion of the first official meeting, participants must draft a statute and an instrument of incorporation. These elements will constitute the ground on which potential members will decide if they share the goal of the association and if they want to be part of it. In any case, the more members will subscribe, the stronger and more credible the association will present itself, and the easier it will be to pursue and achieve its social goals.

Step 2. Defining the goals

Funding members define the goals of the association and the activities to achieve them. All the associations carrying out one of the activities of general interest included in Art. 5 of Legislative Decree n. 117/2017 ("Code of the Third Sector") can be considered Third Sector Organisations. Among the activities of general interest there are: social measures and services, health services, protection of the environment, protection of the cultural and natural heritage, organisation and management of cultural activities, extracurricular training, fair trade, development cooperation, job placement and re-employment, social housing, humanitarian assistance, charity, defence of human rights, civil protection, etc.

Step 3. Choosing the legal form

There are several associative forms provided for under Italian legislation, while the legal forms included in the Civil Code are only two: recognised and not-recognised associations, with different effects on the administrators' financial liability.

A **recognised association** is an association with legal personality. The recognition procedure is complex and expensive. The Memorandum of association and the Statute must be prepared in the form of a public deed, i.e. with the intervention of a notary. Then, it is necessary to start the recognition procedure at the prefecture or the competent region. To be recognised, the association must have minimum assets ranging between € 15,000 and € 50,000. These assets are placed as security for the association's creditors and, of course, are not at the personal disposal of the founding members.

The vast majority of associations are **non-recognised**. They are formed by registering the Memorandum of association at any office of the Revenue Agency. In this way, the association is in any case regularly constituted and can benefit from all the tax breaks or funding provided by law, and tax regulations for non-profit organisations.

Step 4: Give a name to your NGO

Give your association an original but easy-to-read name. Simple and self-explanatory business names prove as effective as unique names. Use search engines for determining the availability of your preferred name.

Step 5: Drafting the instrument of incorporation and the statute

The instrument of incorporation is like the birth certificate of the association. It is drafted with the statute and defines the nature of the association, its goals, the activities that are meant to be carried out, and the main internal rules. It is crucial to adopt a model of statute that is suitable for the type of association. The association is created with the first formal meeting, called constitutive meeting, during which founding members sign the instrument of incorporation, agree on the statute and nominate the social charges.

The purpose of the association, i.e. the motivation that pushed the founders to set it up, should not be lucrative and will be specified in the statute. That purpose has usually a local nature, which makes it easier to find people willing to support it, on the ground of a mere geographical proximity.

The statute of the association must necessarily include the following bodies:

- The Board of Directors, elected by the assembly, is the executive body of the association and takes decisions on the organisation and the activities;
- The President, elected by the assembly of members, directs the organisation and represents it in court, it also presides over the Board of Directors and implements its decisions;
- The Assembly of members. which meets annually to approve the social balance and the annual programme of activities, and decides on what is submitted to its attention by the Board of Directors. It also nominates the bodies of the association following the expiry of the mandate. Only the Assembly can deliberate on changes to the statute and on the dissolution of the association.

The instrument of incorporation, instead, includes personal information of the founding members, the address of the head office and the date when the association was set up. It also includes all roles (president, board of directors, assembly of members, treasurer, etc.), their respective tasks, terms of office, modality of election and dismissal. Once conditions are established, it is possible to proceed with the election of the various roles, whose results will be reported on the documents constituting the instrument of incorporation.

Typical items addressed in the Articles are:

- Name and purpose (mission statement) of the association.
- The frequency, notice, and quorum requirements for organizational meetings, both internal or regular meeting of the association, and external meetings with other stakeholders etc.
- Voting qualifications, proxies, and procedures for approval of boards. This is related to the governance structure of the association's board.
- The number and term for members of the board, scope of authority, method of nomination and election to the board, and provision for filling vacancies.
- List of board officers, method of nomination and election, terms of office, powers, duties, and succession.
- Membership and authority of committees or working groups. Many of an NGOs' work is done through sub-committees or groups, and provisions need to be made for such committees.
- Title and scope of authority for the executive director and other staff members who are responsible for the day to day functioning of the association.
- Record-keeping and financial reporting responsibilities.

- Amendment procedures for the Articles and provisions for dissolution of the organization.

Step 6: Registration

Once all the necessary documents are drafted, the association is registered to the Italian Revenue Agency. This step includes a signature, which must be certified by a notary only for recognised associations. Both the statute and the instrument of incorporation must be entrusted to the local Revenue Agency within 20 days. Setting up an association also includes some costs, although very low. The sole costs of the association happen during its registration and amount to € 200 to send F23 form and purchase revenue stamps, which must be applied to the documents (€ 16 each). Volunteer Organisations and, since 2019, Amateur Sports Associations are exempt from this cost. It is also necessary to ask the Revenue Agency for the allocation of a tax code. If the association intends to carry out activities that are not of general interest, it has to ask for the allocation of a VAT number and open a bank account. The bank account will be used to collect revenues from sponsored activities, which will be reinvested on the associative activity. After this step, the association is officially open!

In case we aim to establish a recognised association, it will be necessary to follow the recognition procedure at the competent prefecture or region.

Registration in regional list

It is recommended to register the Association in regional, municipal and local lists within its territory.

The most important step is to register the association either in regional list of Volunteering or in that of Social Promotion. According to the cases and the chosen register, this can lead to multiple advantages: the access to calls for funding, the right to benefit from the “5 per mille”, the opportunity to conclude agreements with public bodies, etc.

Organizational structure

The top management of an NGO consists of three entities - the Board of Directors, the General Assembly, and the Executive Director.

General Assembly

It is the body where the sovereignty of the Association resides and is made up of all the partners. Its fundamental characteristics are:

- It must meet, at least once a year, on an ordinary basis, to approve the accounts for the year that ends, and the budget for the year that begins.
- For the modification of statutes and everything that is foreseen in them, the call will be extraordinary.
- The quorum necessary for the constitution of the Assembly and the form of adoption of resolutions will be set by the partners themselves in the statutes. The law establishes that:
  - The necessary quorum will be 1/2 of the members on first call.
  - The resolutions of the assembly are valid, on first call with at least 1/2 of the members and if the vote counts for the majority of the votes of those who are present. On second call, they are valid whatever the number of attendees and if there is a majority of the votes of those who are present. To change the articles of association and the statute, at least 3/4 of the members and the favourable vote of the majority of those present are required. To deliberate on the dissolution of the association and the devolution of the assets, the favourable vote of at least 3/4 of the members is required.

Any member and the bodies of the entity may request the cancellation of the resolutions of the assembly that are contrary to the law, to the articles of association or the statute.

Board of directors

The Representative Body, which is normally called the Board of Directors, is in charge of managing the Association between Assemblies, and its powers will extend, in general, to all the acts of the association's purposes, provided that they do not require, according to the Statutes, express authorization of the General Assembly.

Its operation will depend on what the Statutes establish. The members of the board, as a group, have trustee and legal responsibility for the actions and operation of the organization. Many NGOs stipulate that membership in a board is voluntary and non-remunerative. There are minimum levels of involvement required of board members in organizational and operational management: financial management, planning, programme, resource development (fund raising), human resource management, information management, marketing and public relations, governance (board affairs). Board meetings are kept closed, though written proceedings, reports and minutes may be made public for transparency purposes.

President

The President, also called Coordinator, Chief Operating Officer, or CEO, is responsible for the overall direction in which the NGO moves, and the responsibility for managing the day-to-day activities of the NGO. The President, elected by the shareholders' meeting, directs and represents the association in court, and also presides over the Board of Directors and implements its decisions.

The Board of Directors and the President may be assisted by advisors. These advisors are optional but are useful to create a good image of the NGO, and enhance its "brand name" besides providing specialist advice for the NGO.

Staff members

Staff members of an NGO are responsible for the day-to-day functioning and implementing of its programmes and projects. They report to the Executive Director, who overall is responsible for the NGO's activities. Staff members of an NGO fall into three groups - responsible for activities related to administration, publicity and programmes/projects.

Obligations of the associations

Registry obligations

To modify the Memorandum of association and the Statute, if not otherwise provided for, the two following conditions are required: the presence of at least three quarters of the members, and the favourable vote of the majority of those present.

The statutory changes must therefore be approved by the extraordinary meeting and approved by a majority representing at least three quarters of the members.

Then, the new Memorandum of association and Statute must be registered to the Revenue Agency together with members' meeting resolution stating the approval of amendments.

Documentary Obligations. The books of the associations

The social books that must be kept at the association's headquarters are:

1. Members' book: a simple register in which each member's name, surname and generalities, date of membership, fee paid and signature are recorded.

2. Book of meetings of the board of directors, assembly and other bodies: these are the minutes of the meetings. They must include the date, the participants, the items to be discussed, a brief report of the discussion, the results of the votes and the signatures of those present.

Accountability obligations

Associations have certain accounting obligations, the correct fulfilment of which is essential both for the good management of the organisation and to enjoy tax benefits and comply with the relevant regulations. The formulation and keeping of accounting documents are the responsibility of the president and the board of directors. These documents must be filed at the registered office and remain available to all members. Depending on what is shown in these documents (or what is not shown), objections may be raised to the activity of the organisation and its tax regime.

The first step will be to keep an inventory register in which all the assets of the association or organisation are listed. At least assets of a certain value should be recorded here.

It is also essential to keep periodic cash sheets (daily, weekly or monthly). These documents will record all cash receipts and outgoings, with the relative randomness, for a certain period of time. The keeping of cash sheets will then allow the preparation of a true and orderly annual balance sheet. In addition, it is necessary to keep track of all expenditures and contracts concluded by the association.

Drawing up an annual balance sheet (or cash flow statement) is one of the main obligations for all non-profit bodies, including associations. Every year the board of directors has to draw up the organisation's balance sheet, which has to show clearly and precisely the income divided into analytical items, assets, contributions, legacies received, expenses and charges incurred. It is not a true balance sheet prepared according to the rules of commercial law, but an ordered series of debit and credit values. If the balance sheet is in surplus, the closing of the balance sheet should not give a 'profit,' but rather a positive debit entry to be reported in the following year's accounts. It should be noted that the income from the institutional activity must be strictly separated and distinct from the income from any commercial activity of the organisation. The balance sheet must be accompanied by an illustrative report (or mission statement) prepared by the board of directors, which gives evidence of the association's activities, events and initiatives organised.

The balance sheet and mission report must be submitted to the Assembly for approval no later than four months after the end of the financial year, and must be deposited at the registered office of the Association no later than fifteen days before the date set for their approval, at the disposal of all members.

With regard to the commercial activity of associations, in such cases it will be necessary to open a VAT number (except for occasional activities) and keep the accounting records relating to normal commercial activities. With regard to non-profit organisations, they will have to keep fiscal accounts for related activities, even if these are exempt from taxation.

Tax obligations

All associations must comply with the rules set out in tax legislation (T.U.I.R.)

Since an association is a non-profit organisation, some income is not taxable and does not have to be declared. In order to enjoy this benefit, however, it is necessary for the association to meet certain requirements regarding the activity carried out: if it is mainly of a commercial nature, the organisation loses the status of non-profit organisation, and all income is therefore considered taxable.

According to the article 148 of the T.U.I.R., the following activities are to be considered non-commercial and therefore not subject to taxation:

- all activities carried out towards members;
- members' fees and other contributions paid by members to the association;
- donations;
- contributions paid by public administrations for carrying out activities with social aims;
- funds received from public collections carried out occasionally;
- paid activities towards their members, in direct implementation of the association's purposes.

Associations may also carry out, on a marginal and non-prevalent basis, paid activities towards non-member third parties, or receive payments from sponsors, advertising, etc., which are considered commercial activities and therefore do not benefit from tax concessions. For these activities, normal accounting records must be kept, and in the case of non-occasional commercial activities, a VAT number must be opened. However, for the commercial part, there is a facilitated tax regime (Law 1991 n. 389). In any case, the association must be assisted by an accountant.

Conversely, if the commercial activity is carried out habitually and professionally, and the income from that activity exceeds that from the non-commercial activity, the association loses its non-commercial status and, for tax purposes, it is considered to be a business. All its activities will therefore be subject to the business tax regime, with the obligation to keep ordinary accounting records and prepare an ordinary balance sheet.

Data protection

The EU Charter of Fundamental Rights stipulates that EU citizens have the right to protection of their personal data. The Data Protection Directive has been transposed to the national regulation in every EU country. The law regulates the obligation of the duty to inform of any entity that manage personal data.

The EU Regulation 2016/679, better known as GDPR, is a European regulation on the processing of personal data and privacy. This regulation aims to strengthen and make more homogeneous the protection of personal data of citizens and residents of the European Union, both within and outside the borders of the union. The regulation came into force on 25 May 2018 and was also implemented by Italian legislation with the Legislative Decree 10 August 2018, n. 101.

In order to comply with the regulation, all associations and similar entities, when collecting personal data, e.g. when registering a new member or joining an association activity, will have to communicate to him or her a special information notice on the processing of personal data.

The information notice advises the person concerned of the data being processed, the purposes and methods of processing, the period of data retention and, more generally, all his/her rights to protect his/her privacy.

At this link a pro forma of the notice for privacy policy is provided, which should be adapted on a case-by-case basis according to specific needs.

Other resources

This section contains some websites where finding tips and services for NGOs.

Italy:

"**Italia non Profit**" is a free platform created with the aim of reducing information asymmetries between non-profit organisations and donors, by supporting the development and dissemination of the culture of giving and conscious donation in Italy.

https://italianonprofit.it/

https://youtu.be/n8fic9QoCiM

“**Cantiere Terzo Settore**” is a website where you can find articles, insights, videos, infographics, podcasts, the full texts of the legislation, useful tools (such as handbooks and formats and cards) explaining in detail the reform of the third sector.

https://www.cantiereterzosettore.it/la-riforma-spiegata/

https://youtu.be/k7KojLiF6uc

"**Open Cooperazione**" is an online portal that allows all organisations to voluntarily contribute with their own data to compose the overall picture of development cooperation sector in Italy.

https://www.open-cooperazione.it/web/

https://youtu.be/E2BTn1qs7LE

Other websites:

- Volontario per lo sviluppo: https://www.volontariperlosviluppo.it/
- Diplomatici: https://www.diplomatici.it/
- Passione NonProfit: https://www.passionenonprofit.it/
- AOI Cooperazione e Solidarietà Internazionale: http://www.ong.it/

14. Conclusion

As we have shown, creating an NGO requires preparation. NGOs can apply to grants for funding needed to run their programs and daily operations. Tax-exempt status helps organizations qualify for grants and begin legal operation. Non-profit associations depend on volunteers for board members, accountants and publicists who believe in the cause of the association. Employees such as web designers and tax attorneys expedite the start-up process. Subsequent to choosing a cause, forming a team and penning a mission statement, establishing an NGO consists of writing governing documents, creating a website and filing the necessary paperwork.

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Annex I. Comparison of associations requirements in the project countries

The table shows the requirements to create an association in each country of the project partnership:

	Spain	Germany	Portugal	Romania	Malta	Greece	Italy	Ireland
Minimum people	3	In order to be registered, the organisation must have at least 7 members and if this number falls, below 3 after its registration	3	3	4	2	3	One single member At least two non-related directors over the age of 18.
Legal personality	Yes	Yes	Yes	Yes	Yes	Yes	- Yes, for recognised associations - No, for non-recognised associations	Yes
Govern body	Assembly (all the members)	Assembly (all the members)	Assembly (all the members)	a) General Assembly; b) the board of directors; c) the censor or, as the case may be, the	Assembly (all the members)	Assembly (all the members)	Assembly (all the members)	The group of trustees that are elected as the Board of Management

				commission of censors.				The Government of Ireland through the Companies Act 2014.
Representative body	Board or directors elected by the Assembly between members	Board of directors elected by the Assembly	Board of directors elected by the Assembly	a) the general assembly; b) the board of directors; c) the censor or, as the case may be, the commission of censors.	Board of directors elected by the Assembly	Board or directors elected by the Assembly between members	Board of Directors, elected by the Assembly The President, elected by the shareholders' meeting.	The Management Committee or the Board of Directors.
Ordinary Meetings of the govern body	1 at year at least	1 at year at least	1 at year at least	1 at year at least	1 at year at least	1 at year at least	1 at year	Once per year, but not more than 15 months since the previous meeting.
Extraordinary meetings	Whenever is needed	Whenever is needed	Whenever is needed	Whenever is needed	Whenever is needed	Whenever is needed	Whenever needed	As required; when deemed necessary.
Quorum for meetings	At least one third	A majority of three quarters of the votes cast shall be required for any resolution amending the	At least one third	It's not the case.	50% of elected members + 1	At least one third	Valid resolutions at least 1/2 of the members on first call. On second call, they are valid	Set out in the written standing orders of the governing document.

		Statutes. A resolution to change the purpose of the Association shall require the consent of all members.					whatever the number of attendees and if there is a majority of the votes of those who are present.	
Steps prior to registration of the creation agreement	- Foundation meeting - Articles of association - Founding minutes	-Foundation protocol -articles of association There is no nominal or minimal capital requirement	Foundation meeting; Founding minutes oh the meeting; -Choose a name and name and module of statues for approval;	Concluding the statute of the association	Foundation meeting - Articles of association - Founding minutes	Foundation meeting - Articles of association - Founding minutes	- Foundation meeting - Definition of aims and goals -Establishment of the legal status: recognised or not-recognised association - Drafting of memorandum of association and statute (in the form of a public deed with a notary, only for recognised associations)	Determine the charitable purpose of the NGO and document in the foundation meeting minutes.
Registration	National or regional	The application for	-Register in the	Registering in the Register of	Registration to the	District Court	Registration to the Italian	Online through the

	Register, depending on the scope of action	registration must be certified by a notary and then submitted to the local court at the association's seat.	Portuguese Help Desk for Public Services (online); or - Public Deed in a Notary (in person)	associations and foundations located at the registry of the court in whose constituency it has its headquarters	Commissioner of Voluntary Organisations		Revenue agency Request for the tax code Recognition procedure at the prefecture or the competent region (only for recognised associations)	Companies Registration Office http://core.cro.ie/
Documentation to register	- Application form - 2 copies of the Articles of association and Founding minutes -Identification of promoters -Pay of taxes	1. Application for registration signed by the board and certified by a German notary 2. The articles of association signed by at least 7 members 3. A protocol documenting the appointment of the board by the founding members	Identification document and Taxpayer Card (NIF) of the legal representatives; Legal Person ID Card or e-Card access code; -Statutes; -Minutes of deliberation of the General Assembly on the constitution of the association;	- Request to the Court, motivated in fact and in law; - Proof of payment of the judicial stamp duty in the amount of 100 lei - Proof of availability of the name, valid, issued by the Communication and Public Relations Service within	- Application Form - Organisation Statute - Resolution Letter - Name of organisation - Address of organisation - Registration number of organisation (if applicable) - Names and ID card numbers of each administrator	-Application form - 4 copies of the Articles of association and Founding minutes -Identification of promoters	- 2 original copies of the association's memorandum and statute signed - Copy of the ID card of who register and the legal representative. - Form 69 issued by the Revenue Agency and duly filled-in - Payment of tax (if due)	Complete the following forms Form A1 – Company Incorporation Constitution including Memorandum of Association and Articles of Association

		(But the requirements change depending on the legal form chosen by the NGOs)	-Minutes of election and investiture of legal representatives	the Ministry of Justice; - the statute of association; - proof of the initial patrimony of the association - at least 200 lei, made through an account statement; - proof of the association's headquarters through a loan or rental contract and a valid land book extract; - in case the future headquarters of the association will be established in a condominium (block of flats), additionally,	of the organisation			

				the following are necessary: the agreement of the owners' association as well as the approval of the directly affected neighbors. - fiscal record certificates of the founding members; - declaration of real beneficiary; - copy of the identity card of each founding member and of the censor. - CD / DVD with the constitutive documents of the Association in Word and PDF format.				

Time of the Register to answer	3 months	2-3 months	One month (with registration in the online Public Help Desk)	One month	Information not disclosed	2 days	Information not available	Approximately 5 weeks from receipt of the submission to issue of documentation from the Companies Registration Office.
Other procedures after registration	- Request for Tax ID number - Entry in other specific registers (Local Register, ONG Registers)	- Registered office	Request for Tax ID number; Designate a Certified Public Accountant (or choose one from the list available);	Registering in the Register of associations and foundations	Comply with the conditions agreed during enrolment	- Request for Tax ID number - Registration in a register of beneficial owners	- Application for VAT number and bank account opening, in case of commercial activities.	Comply with the Companies Act 2014.
Requirements to qualify for tax, economic, administrative and procedural benefits	Declaration of Public Utility	Charitable status of the Registered Association recognized by tax authorities	-Certificate of Admissibility; -Certificate of the memorandum and articles of association;	Registering in the Register of associations and foundations	Registration with the Commission of Voluntary Organisations	Depending on the action of the NGO, the registration in a national or regional register: -Founding minutes	Registration to the National Register of the Third Sector Registration in national registers of Volunteering	

			-Declaration of the Beginning of Activity;			- Application - VAT - Decision of the General Assembly	and Social Promotion	

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