ESSENTIAL PRINCIPLES & PRACTICES FOR NON-PROFIT EXCELLENCE IN ETHIOPIA

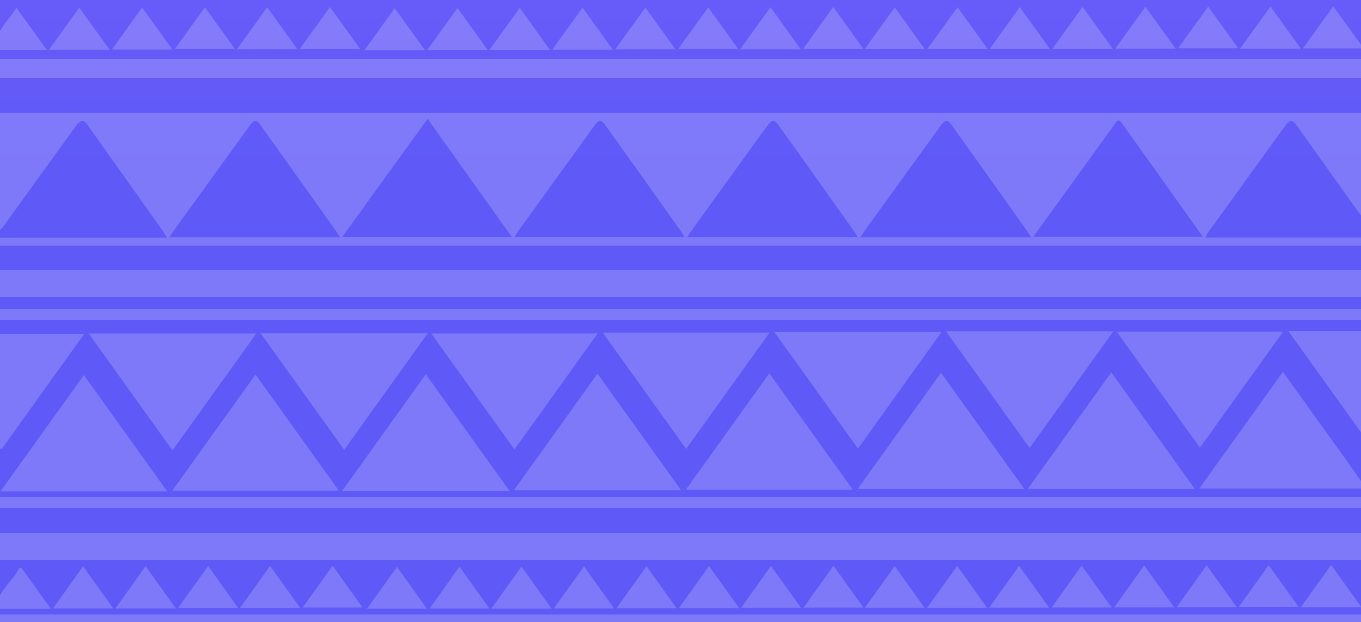ACLP

Table of Contents

INTRODUCTION

INTRODUCTION

ACLP's core belief is that a thriving and healthy civil society sector is essential to Ethiopia's vitality and durability, both now and for the future. Throughout history, civil society organizations (CSOs) have served as centers for deep social and cultural change, shaping and strengthening communities. But Ethiopian CSOs have faced repressive regulation in recent decades, and today's CSO leaders are challenged by greater community needs, heightened public demands for accountability and limited resources. To assist you in meeting these challenges, we offer Essential Principles and Practices for CSO Excellence in Ethiopia, an inclusive framework for strengthening your organization and advancing your mission under the new Civil Society Organizations Proclamation (no. 621/2019) and in an ever more complex and demanding environment.

The core principles guiding the formation of CSOs in Ethiopia are already set out in Article 16 of this proclamation. It is stipulated that membership in any association must be voluntary and non-discriminatory. Moreover, such organizations must be governed by democratic principles and essentially not-for-profit. This guide goes beyond these ideas to set forth additional internationally recognized principles and organizationally recommended practices for all aspects of CSO leadership and management. We aim to give Ethiopia's CSOs a pragmatic and aspirational tool for organizational development. Since the enactment of the new CSO law, CSOs are evolving and require guidance in key areas of management and governance. They should utilize principles and practices that reflect the most current legal requirements applicable to Ethiopia's charitable organizations along with industry procedures and standards generally expected in the sector.

We believe that there are many reasons for practicing the recommendations in this guide. The most fundamental of these is your increased ability to move your mission forward. We believe following the recommended practices outlined in this publication will strengthen your work and help you excel in your endeavors. As you see greater impact in the community you serve, you'll be sustained rather than drained in your role as a leader. This is good for you, the organization you serve and future generations of CSO leaders for whom you are paving the way. Your organization's reputation for effectiveness, competence and efficiency will strengthen the standing and influence of the larger CSO sector in Ethiopia and beyond. And as "good begets good," we will all benefit from growing public awareness, widespread support and goodwill, and deeper engagement with the communities we are part of. These are outcomes worth pursuing.

HOW TO USE THE ESSENTIAL PRINCIPLES AND PRACTICES FOR CSO EXCELLENCE IN ETHIOPIA

In the following pages, you will find a series of eleven principles and related practices relevant to CSOs in Ethiopia. Initially, the amount of information might be overwhelming. However, you can design a manageable approach to implementation by understanding your available resources, the developmental stage of the CSO you serve and your highest priorities at any given time.

The framework below is both practical and aspirational; it is not possible or advisable to pursue every concept simultaneously. Practices should be organized into three general categories to help you prioritize your next steps:

> **. Legal practices** are legally required of all Ethiopian CSOs.
> **. Essential practices** are widely recognized as industry standards generally expected of all CSOs.
> **. Recommended practices** should be considered by all CSOs, with implementation dependent on capacity and life stage.

Legal practices are legally required of all Ethiopian CSOs. They include the minimum legal requirements for operating as a civil society organization in Ethiopia. Every CSO in the country must implement these practices regardless of their size. The legal requirements your particular organization must comply with might exceed those contained in this general overview. Certain types and subsectors of CSOs will have additional legal obligations. Certain contracts come with legal stipulations. In addition, laws and regulations continually change.

Essential practices are widely recognized as industry standards or expectations for all CSOs, both in and out of Ethiopia. These practices create a foundation for accountability and credibility upon which the organization can stand and grow over time. Some emerged because of a law but are not themselves legally required. Others evolved over time to solve problems or proactively build trust, transparency and accountability.

Recommended practices are those all CSOs should consider implementing, depending on capacity and life stage, to further their development as a CSO of excellence. Some are basic common-sense fundamentals. Others are aspirational or a path to moving the organization to the next level.

Organizational development is a thoughtful, intentional process that takes place over time. Any of the Principles and Practices could take months or years to fully integrate into the ongoing operations of the organization. And not every practice will be of equal importance to you. Your individual approach to implementing the practices is paramount to your success. You will need to customize your efforts to the unique context and needs of the organization you serve.

Where appropriate, implementing the practices in a way that goes beyond compliance to a deeper cultural shift will serve you well. You will reap great benefits as you steadily advance your mission and multiply your impact in a sustainable, systematic and aspirational way. Therein lies the path to CSO excellence.

CREATING AN INITIAL PLAN

. Make a plan and set a time for board members, staff and/or key volunteers to review the Essential Principles and Practices.

. During your review, highlight the practices already in place. Celebrate the work that has already been done!

. Note any legal requirements your organization has not implemented. These are a top priority.

. Consult accounting, legal and human resources experts for further direction on additional legal requirements specific to the organization or subsector you serve.

. Highlight the practices you need or want to implement now. Screen out those that may be important in the future but are not your priority today.

. Keeping in mind the relative importance of legal practices, prioritize which practices to focus on now.

. Make a plan with a timeline for implementation.

. Start small and build on experience as you progress.

. Resources, templates and technical assistance are available through the Civil Society Resource Center. Ask for advice and assistance!

. Schedule an annual review of the Essential Principles and Practices.

. Revisit the process during times of significant organizational transition. Examples include electing a new Board president/chair or hiring a new Executive Director. This will help solidify a culture of organizational development that will transcend change.

. Make "striving to be a CSO of excellence" a core value of the organization.

QUESTIONS TO CONSIDER BEFORE STARTING TO IMPLEMENT PRINCIPLES AND PRACTICES

. How will we thoughtfully and intentionally implement the Essential Principles and Practices so that our organizational development efforts have the greatest chance for success while remaining manageable and sustainable over time?

. What are the resource implications we should consider (time, money, etc.)?

. To what extent is our staff and board leadership committed to change and continuous improvement over the long haul as we aspire to excellence?

. To what degree do we have the right people involved in this process and are we positioned to bring in others as needed along the way?

Although each CSO is unique, we also have much in common. The Essential Principles and Practices address those areas we share. While CSOs differ in mission, size, location, maturity and life cycle, the concepts found in the Essential Principles and Practices for Non-profit Excellence in Ethiopia apply to all. This publication is your roadmap to thoughtfully developing an organization that will yield bountiful and sustainable results for the communities and people you serve.

_____

Disclaimer: The information in Essential Principles and Practices for Non-profit Excellence in Ethiopia is for CSOs registered under proclamation no. 1113/2019. Adherence to this guide is not mandatory and will not result in certification or accreditation. This document is also not meant to serve as criteria for rating the effectiveness of non-profits. Rather, it is a tool to be used as needed and as appropriate to help CSO leaders achieve excellence in the execution of their important work. The practices articulated here focus on the highest, not minimum, standards. Because of that, it is expected that most CSOs will not demonstrate adherence to all the recommended practices. Additionally, CSOs may be accountable to additional or slightly different standards based on new directives, their responsibility to grant funders and/or nuances of their subsector work.

The information in Essential Principles and Practices is not meant to be construed as legal, accounting or human resources advice. Please consult with legal, accounting and HR professionals to determine whether an individual practice is appropriate for the CSO's current situation.

QUESTIONS TO ASK AS YOUR ORGANIZATION EVOLVES

During the early days...
- What is our vision for the organization in s years? 10 years? 20 years? What would we need to achieve that vision?
- Are there other organizations doing the kind of work we are thinking about, or serving the same population or cause?
- Could we partner with them in some way, or will they be competitors?
- Are we truly meeting an un-met need?

Becoming a registered CSO...
- How would the world be different if we succeeded?
- How will we measure success?
- What kind of board culture, expectations and accountability do we want to have?
- How can we address the need to formalize our structures?
- What fears/reluctance do we need to overcome about structure and formality?
- Can the founder(s)imagine a day when they are not involved in the organization anymore? What would that look like?

Formalizing...
- What structures, policies and best practices should we follow to ensure a good relationship with staff?
- Are the founders ready to share the responsibility for the crafting of the vision, making big decisions and setting the direction of the organization?
- What kind of accountability do we want to put in place now, to ensure the integrity of our mission (bookkeeping, internal controls, donor recognition, personnel evaluation)?
- What values and beliefs do we want to hold as we do this work together?

Stable and consistent...
- What makes us unique and successful?
- How can we build upon core competencies and strengths for new innovations and service areas (populations, new service delivery strategy, new geographic areas, etc.)?
- Who are our competitors? What can we learn (or borrow) from them?
- What areas do we need more control in? Less control?
- Are our administrative structures (finance, IT, HR, facilities) keeping up with the growing needs of our program and mission?

Stagnation and decline...

- What stories do we tell ourselves about our work and history? Where can we reinvigorate or refresh our story?
- What has been, and currently is, our relevance/importance to the community?
- What would the community/the people we serve/our cause lose, if we stopped our operations?
- What are our core competencies (things we do well)?
- How might we apply these in different ways to new markets?

THE ELEVEN PRINCIPLES

- Accountability, Transparency and Disclosure - Advocacy and Public Policy - Communications - Evaluation - Financial Management - Fund Development - Governance and Leadership - Human Resources - Information and Technology - Planning - Strategic Alliances

PRINCIPLE:
ACCOUNTABILITY, TRANSPARENCY AND DISCLOSURE

As entities serving the public good, CSOs have an ethical obligation to conduct their activities in a manner that is accountable and transparent to their constituents. CSOs engage in ongoing efforts to openly convey information to the public about their missions, activities and decision-making processes. This information is easily accessible to the public and creates external visibility, public understanding and trust in the organization.

PRACTICES:
Accountability, Transparency and Disclosure

1. A CSO must comply with all legal and other required reporting procedures.

2. A CSO has a responsibility to establish, achieve and regularly measure clearly defined levels of performance in their activities, and to share those results with the public.

3. A CSO must meet all national requirements for public disclosure. The board of the organization is required to prepare and submit annual activity reports and make documents available to the public.

4. Information regarding fees and services are readily available to the public.

5. In serving the public trust, a CSO produces and makes available an annual activity report and may post information to the organization's website, including names of board members, management staff, supporters, donors per the organization's donor recognition policy and documents regarding activities and program and financial performance.

6. Directors and officers must recuse themselves when they have a conflict of interest regarding a transaction over which they have authority on behalf of the CSO.

7. To assist directors and officers in recusing themselves when they have a conflict of interest, the board of directors adopts a written conflict of interest policy regarding board members, staff, volunteers. consultants and other contractors and adheres to this policy in all dealings. The conflict of interest policy clearly outlines potential conflicts and procedures for disclosure and dealing with conflicts. It provides for review by members of the board not involved in the conflict. Each director reviews, updates and signs his/her conflict of interest statement annually. Potential conflicts are monitored and the conflict of interest policy is enforced in the event of a conflict.

Equity Practices

8. A CSO ensures the provision of nondiscriminatory and, as required, confidential services to its constituents, staff, board members and all other stakeholders. The nondiscriminatory and confidential service policies and procedures must be prominently displayed as required along with procedures to respond to violations as relevant to the organization.

9. Employees and board members review and sign off on the organization's written policy(ies) on this subject.

Community Access and Input

10. A CSO provides multiple means (telephone, email and web form, for example) for contacting the organization to request information or provide input.

11. Boards of directors provide information to the public that describes their decisions and decision-making process. They may make meeting agendas and descriptions of significant decisions available to those who request them.

12. A non-profit is encouraged to engage a diverse cross-section of stakeholders in the development of goals and service delivery methods to carry out its mission and commits to sharing accomplishments and lessons learned through this engagement.

13. A CSO takes reasonable steps to make its public information and, if applicable, its physical facility, accessible to its constituents, staff, board members, other stakeholders and the community.

PRINCIPLE:
ADVOCACY AND PUBLIC POLICY

By providing a means for public participation and promotion of the common good, CSOs play a central role in the democratic process. CSOs engage in advocacy and public policy efforts to promote their own constituent and organizational interests, as well as those of the civil society sector as a whole. In addition, CSOs encourage broader public participation in these efforts and, in the process, provide appropriate education and assistance.

PRACTICES:
Advocacy

1. A CSO encourages board members, staff, volunteers and friends to act as advocates and ambassadors for the organization and the entire charitable civil society sector.

2. Individuals who are authorized to act as advocates and ambassadors for a CSO are knowledgeable about the programs and activities of the organization and prepared to speak on its behalf when appropriate.

3. Information provided to the general public, the media and policy makers becomes a matter of public record. Therefore, in order to avoid misunderstanding or manipulation of the message, a CSO ensures both that the information is timely and accurate and that the social and political context of the information is clear.

Public Policy

4. A CSO participates in and supports the formation and amendment of public policy consistent with the organization's mission.

5. A CSO assists its constituencies in public and civic engagement by encouraging citizen participation in local, regional state and national policy-making efforts.

6. A CSO actively models respectful civic dialogue that promotes collaboration, diverse relationships in the community and awareness of differences while being solution oriented.

7. A CSO continuously maintains an understanding of the current public and political climate and the resulting impact on policy.

8. If engaged in public policy and/or advocacy activities, CSOs adopt and adhere to a written policy that clarifies the scope of the work, as well as the time and resources to be allocated to those activities.

9. A CSO may propose recommendations for the change or amendment or issuance of laws and policies related to their activity, except for those CSOs that are foreign organizations or local organizations established by foreign citizens who are resident in Ethiopia unless otherwise permitted.

PRINCIPLE:
COMMUNICATION

Effective communication is central to the success of an organization's mission, goals and activities. Internal communication is essential to motivate, inform and counsel employees and volunteers and to set the stage for excellent external communication. External communication is necessary to attract and retain constituents; to raise public consciousness; and to increase understanding of, commitment to, and resources for, the organization.

PRACTICES:
General

1. All organizational communications adhere to the highest ethical and professional standards, as well as any applicable industry-specific standards, and exhibit transparency, fairness and honesty. These standards are clearly stated in writing and made part of the orientation of all employees and volunteers, including board members.

2. A CSO has a clearly defined, written communications plan that guides both internal and external communications and that supports the organization's comprehensive organizational plan. It is strategic and central to all organizational planning; it demonstrates accountability to constituents and the public.

3. A communications plan includes goals, target audiences, key messages, strategies, tools, intended outcomes, and a means to evaluate results.

Internal Communications

4. Internal communications are guided by clear policies and practices, such as regularly scheduled and attended meetings, regularly printed and/or e-mailed informational updates, a forum for suggestions, reports on meetings of the board of directors and its committees, recognition and social events.

5. The line of communication between staff and the board of directors is clearly defined and well understood.

6. A CSO encourages internal communication that welcomes alternative perspectives, invites and encourages participation at all levels, minimizes defensiveness, and builds and maintains camaraderie. In addition, a CSO intentionally seeks out traditionally marginalized constituents, community members and other stakeholders for their perspectives. Management solicits actively, listens carefully and responds respectfully and with an awareness of its own biases.

External Communications

7. External communications are guided by clear marketing and public relations efforts. These may include a newsletter, website, social media channels, an annual report, advertising, public service announcements, promotional brochures and flyers, news releases, press conferences and feature stories.

8. A CSO regularly reviews and updates its branding and messaging to accurately reflect and include the diversity of individuals that it currently serves and aspires to serve in the community.

9. A CSO identifies its spokesperson(s) who is/are authorized to make public statements about a given issue. All internal constituents are aware of who is designated as the spokesperson(s).

10. A CSO has a written policy and procedures for developing public statements and positions on issues. All internal constituents are aware of them. The statements and positions represent the full range of views of the organization's constituencies and traditionally marginalized members of the community.

11. A CSO has a written plan for communicating with the public and the media at a time of crisis or emergency. This plan includes a procedure to communicate internally as well.

12. Constituents of CSOs are provided with appropriate, ongoing opportunities to interact with the board of directors and management regarding the organization's activities. A CSO provides anonymous methods, including a mailing address, for constituents to provide feedback regarding the organization's activities.

13. A CSO responds promptly and respectfully per policy to grievances or complaints from constituents. A CSO provides anonymous methods, including a mailing address, in which the constituent can state the grievance or complaint.

PRINCIPLE:
EVALUATION

CSOs have an obligation to demonstrate their value to the public they serve. CSOs regularly measure their performance both in terms of effectiveness-such as outcomes and results of services (the "what")—and efficiency—such as service delivery systems (the "how"). The public and CSO constituencies have a stake in CSO performance and should be informed about results. Evaluation is appropriate to the size and activities of the organization and evaluation data quality of processes, programs and activities.

PRACTICES:
General

1. A CSO has in place defined, ongoing and sustainable processes for assessing its programs, procedures, outcomes and impact. All efforts at a CSO are assessed in relation to its mission based on shared values and beliefs, group assumptions about programmatic means and intended impact on the community and people served.

2. A CSO commits to effective and efficient delivery of service and regularly monitors whether the services being delivered leading to constituent experience/satisfaction also align with the CSO mission.

Methodology and Measurement

3. CSO evaluation includes input from a diverse cross-section of stakeholders, including staff, the board of directors, funders, constituents and community members.

4. Information collected from constituents must be kept confidential and must not be released in a manner that would allow identification of specific persons served except with their written permission.

5. A CSO conducts, analyzes and interprets evaluations in ways that are culturally sensitive and appropriate to the communities they serve and aspire to serve.

6. Evaluation tools are created to proactively respond to the needs of diverse constituencies and stakeholders. Staff and volunteers are trained to administer these evaluation tools in a welcoming and affirming manner.

7. Performance measures are realistic, specific and appropriate to the size and scope of the organization and its constituents.

> a. Performance measures inform the organization's planning and decision-making and influence decisions to continue, refocus or end programs or efforts.

> b. Measurement seeks information on activities, results and community input.

> c. Measurement includes both qualitative and quantitative analysis methods. While potentially valuable for marketing and fund development purposes, client testimonials/stories are not by themselves evaluation. Similarly, service counts are necessary measures for reporting volume of service but are not evaluative of impact or effect on their own.

> d. Measurement seeks data focused on the impact of the CSO's work on participant outcomes that affect knowledge, attitudes, skills, behavior or condition, ideally in a lasting way.

8. A CSO uses external evaluators when appropriate and feasible.

Use of Evaluation Results

9. Evaluation results are used to strengthen and improve the CSO's programs and activities by incorporating them into organizational planning processes.

10. Evaluation results are communicated to a diverse cross-section of stakeholders, including staff, the board of directors, funders, constituents and community members, using methods that are accessible to the community.

11. A CSO trains its personnel in evaluation methods so as to improve their understanding and use of information developed from evaluation activities.

12. A CSO shares relevant lessons learned with other CSOs and funding sources.

13. Strong CSOs embrace evaluation as a learning, accountability and management tool, both internally and externally. By taking the initiative to "own" their evaluation practices and modeling, evaluation provides CSOs a tool for continuous learning, for demonstrating effectiveness to funders and the community, and that supports and shows continued efforts to become more effective.

14. In conducting evaluation, CSOs strive to use the most scientifically rigorous methods possible, including external evaluation, taking into account resource limitations and/or ethical constraints. As appropriate, CSOs will take care to use reporting language that accurately describes correlation rather than a causation between programmatic efforts and outcomes.

15. CSOs regularly and judiciously assess their data collection practices and data use to minimize unnecessary collection of data and maximize the collection and use of relevant data to inform strategic directions, programs and services.

PRINCIPLE:
FINANCIAL MANAGEMENT

CSOs have an obligation to act as responsible stewards in managing their financial resources. CSOs must comply with all legal financial requirements and adhere to sound accounting principles that ensure fiscal responsibility and build public trust. CSOs should use their financial resources to accomplish their missions in an effective, efficient and strategic manner and should establish clear policies and practices to regularly monitor how funds are used.

PRACTICES:
Fiscal Responsibility and Policies

1. A CSO has a responsibility to ensure that its assets are used solely for the benefit of the organization and not for personal or other gain.

2. A CSO has one or more board members with an understanding of the organization's finances. A CSO may have a finance or audit committee that includes board members who are well trained and informed to understand financial statements and annual tax filings. The board member(s) with this understanding or the finance/audit committee guides the full board to ask questions that enable them to understand and monitor the financial condition of the organization.

3. The board of directors annually reviews the percentages of the organization's resources spent on programs, administration and fundraising. It is management's responsibility to meet strategic and budgetary goals set by the board, including the allocation of dollars among these functional categories. The board influences that allocation through its strategic goals and the final approval of the budget.

4. A CSO creates, approves and adopts the organizational budget and operates the organization in accordance with this budget. The budget is regularly reviewed for necessary budget amendments throughout the year, depending on actual results and changes in strategic direction during the year. In the event of unexpected results, the board of directors is made aware of this outcome and participates fully in determining a plan to amend or restore the budget to its approved state.

5. A CSO spends an appropriate percentage of its annual budget on programs in pursuance of its mission. Expense allocation represents the mission and activities of the CSO. There is a wide range of acceptable expense allocations within the CSO sector. A CSO consults industry and subsector standards to determine an appropriate range for administration and fundraising ratios. An organization also provides sufficient resources for effective administration of the organization and, if the organization solicits contributions, for appropriate fundraising activities. Each organization considers relevant industry subsector data to determine the reasonableness of its expense allocations.

6. A CSO considers bequests, planned gifts and pledges when determining the annual budget but does not deploy these dollars for program expenditures until the gift is actualized.

7. A CSO establishes and maintains a financial reserve sufficient to sustain its operations for a period of time should a significant loss of funding occur until replacement funding can be obtained. In addition, budgeting for a financial reserve allows CSOs to meet other short- and long-term goals. While three to six months' reserve is considered a minimum, the target reserve amount is based on a risk assessment rather than an arbitrarily set figure. In addition to risk mitigation, budgeting for a financial reserve is a prudent practice that allows CSOs to meet other short- and long-term goals.

8. CSOs have written financial policies that are adequate for the size and complexity of the organization and are periodically reviewed and updated. These policies address investment of the assets of the organization, gift acceptance, purchasing, unrestricted current net assets, loans, lines of credit and internal controls to prevent error, fraud, theft or mismanagement.

9. A CSO that invests has a board-approved investment policy that outlines the acceptance and use of gifts and ensures responsible investment of funds in accordance with all legal requirements. The policy is periodically reviewed and updated.

10. A CSO periodically assesses its risks and purchases appropriate levels of insurance to manage its liability prudently. A board-approved risk management policy is developed and then reviewed and updated periodically.

11. A CSO must follow legal obligations as stewards of donated funds to expend donated funds responsibly and to ensure the funder's intent is fulfilled according to the funder's wishes and requirements.

12. A CSO follows ethical obligations as stewards of donated funds to expend donated funds responsibly and to ensure the funder's intent is fulfilled according to the funder's wishes and requirements.

13. A CSO develops guidelines for use of donated funds for programs that are subsequently discontinued. These guidelines include a statement that the donor will be informed that such redirections may occur as is practical upon acceptance of the bequest/gift.

14. A CSO must have a system in place that allows individuals to report misconduct without fear of consequences (commonly referred to as a "whistleblower policy"). Retaliation against whistleblowers or destruction of records related to a government investigation may be in violation of the law.

Financial Reporting

15. A CSO must annually report to the agency according to its annual gross receipts and any additional tax filings as required.

16. The board of directors performs a meaningful review of the report prior to filing.

17. A CSO's accounting system tracks functional expenses for reporting and generates accurate and relevant financial reports, which include the comparison of actual to budgeted revenue and expense and a year-to-year comparison that identifies and explains any significant variances. These reports are provided to the board of directors for regular review and discussion, preferably no less than quarterly. The full board monitors actual performance against the budget.

18. A CSO with annual total revenues in excess of 200,000 birr must subject its financial reports to an annual audit by a certified public accountant. A CSO with revenues under this threshold or exempted by law should consider conducting an outside review of its finances annually.

19. CSOs that conduct audits should consider establishing an audit committee that does not share members with the finance and/or executive committees. In any case, a committee or subcommittee of the board composed of independent directors oversees the audit function. The committee responsible for the audit has the opportunity to meet with the auditor without the management of the CSO being present. Every member of an audit committee is able to read and understand an external audit or financial review report.

20. Financial audits and other financial reporting forms are approved by the organization's board of directors and are verified and certified by the organization's Chief Executive Officer and Chief Financial Officer to ensure they are accurate and filed in a timely manner. An organization under the 200,000-birr threshold may choose to only prepare receipts and payments accounts and statements of assets and liabilities. However, CSO accounts shall be examined annually by certified auditor within three months after the end of the financial year.

21. A CSO is required to make its annual reporting documents available to the public.

PRINCIPLE:
FUND DEVELOPMENT

CSOs play an important societal role as one vehicle for philanthropy. As an intermediary between donors and the community, CSOs have ethical and legal obligations to fulfill donor intent and expend donated funds to further the organization's mission. CSOs know and understand the law, and fund development is conducted according to the law and in keeping with the highest ethical standards. CSOs adopt clear policies to ensure all aspects of fund development are carried out legally, ethically, transparently and with integrity.

PRACTICES:
General

1. A CSO has a clearly defined, written fund development plan that guides fund development activities and supports the organization's comprehensive organizational plan. It is strategic and central to all organizational planning.

2. A fund development plan includes goals, strategies, target audiences, time frames, tools, expenses, role assignments, and a means to evaluate results.

Ethics, Responsibilities and Policies

3. A CSO's board and its executive leaders are familiar with the Association of Fundraising Professionals' Code of Ethical Standards, available at www.afpnet. org, and, through adequate management and supervision, ensure that all fundraising professionals acting on behalf of the organization adhere to these principles and standards. Anyone who is affiliated with or employed by the CSO who engages in fund development activities familiarizes themselves with the Code of Ethical Standards.

4. To foster and maintain the public's trust, a CSO seeks funds to accomplish their work and only uses funds in the manner for which the funds were solicited. When appropriate, reserve accounts and endowments are established to support the financial sustainability of the organization and its mission.

5. A Charitable Endowment must honor the donor's intent for their gift. To the extent that the donor's intent is not compatible with and does not contribute to fulfilling the organization's mission or if a gift cannot be so characterized or if accepting it will create problems or a mission conflict for the organization or its constituents, then the CSO must respectfully decline the gift.

6. Per their means, board members make personal financial contributions to the CSOs they serve. In addition, board members engage in activities that raise and/or generate funds from external sources.

7. Fund development communications include clear, accurate and honest information about the organization, its activities and the intended use of funds. Fund development materials and other communications with donors, constituents and the public must clearly identify the organization.

8. A CSO regularly reviews and updates its fund development messaging to ensure it respectfully and thoughtfully reflects historic and current lived experiences of its constituents.

9. A CSO must comply with laws concerning Do-Not-Call Lists. Use of telemarketers may be subject to additional regulation and prohibitions.

10. A CSO must comply with all charitable solicitation laws (including registration if applicable) when soliciting funds from donors in Ethiopia or abroad.

11. A CSO adopts and regularly reviews policies that govern the acceptance, receipt, utilization, management and disposal of charitable gifts and grants.

12. A CSO must comply with disclosure laws regarding quid pro quo contributions when a donor receives something of value in return for a contribution.

13. A CSO must comply with laws concerning fundraising raffles or other games of chance, including reporting for tax purposes.

14. The Association of Fundraising Professionals' Code of Ethical Standards requires that compensation for fundraising personnel and consultants not be based on a percentage of funds raised or on other commission-based formulas. A CSO reviews and considers adopting a compensation policy in compliance with this Code.

Accountability to Donors

15. A CSO publicly recognizes charitable contributions and, at the same time, is mindful of maintaining donor confidentiality when needed and/or requested by the donor. A CSO reviews and considers adopting the Association of Fundraising Professionals' Donor Bill of Rights to inform donor and organization expectations and policies with regards to donors and their contributions.

16. A CSO practices appropriate donor stewardship. A CSO regularly communicates with donors regarding its activities and the impact of charitable support and makes that information available by multiple means.

17. A CSO has a written policy that governs stewardship of donors and gifts. This policy addresses internal and public acknowledgement of gifts and donor information, a threshold for recognizing gifts, and the sale and/or sharing of donor information.

18. A CSO must promptly acknowledge charitable gifts by providing donors with required gift substantiation and report subsequent dispositions of donated assets.

19. A Charitable Endowment or Charitable Trust develops guidelines for use of funds donated by bequest for programs that are subsequently discontinued.

Alternative Fund Development Strategies

20. CSOs understand that contributed income may not fully fund its mission; therefore, CSOs investigate opportunities to diversify their revenue sources.

21. Decisions regarding alliances are consistent with the strategic goals of an organization; the impact on the brand and image of the organization should be positive. A CSO carefully considers how entering into strategic alliances will affect all parties involved. Strategic alliances are never made purely to meet funding challenges and are made only between competent, collaborative and functioning organizations.

22. When considering alternative fund development strategies, a CSO analyzes the organizational, financial and beneficiary impact along with its potential consequences to fulfilling its stated mission.

23. In forming a joint venture or alliance, the parties actively clarify expectations, roles and capacity of the venture/alliance; consider the values, mission and brand; and create processes for conflict, resolution, recognition, promotion and future re-negotiation of the venture/alliance.

24. A CSO regularly evaluates all joint ventures and alliances in terms of revenue generation, opportunity costs and operational impact.

25. A CSO must identify, report and pay tax on unrelated business income, in accordance with the relevant commercial and tax law.

PRINCIPLE:
GOVERNANCE AND LEADERSHIP

The CSO board of directors is the organization's fiduciary steward and strategic leader. As such, the board is responsible to maintain public trust and assure the organization's mission is met legally, effectively and efficiently. A board of directors can be effective in fulfilling its goals and expectations only when a clear shared understanding of its role and responsibilities is established and cultivated. Boards only have power when they speak together through a corporate motion. A CSO board considers the organization and its mission from a holistic perspective as it makes sense of the past, looks toward the future, provides strategic leadership, sets policy and ensures the organization has adequate resources. Board members serve complex and multiple roles; they must understand and maintain boundaries between any volunteer roles they undertake to help with direct programs or services and their board role. The board provides support, direct oversight and direction for the Chief Executive Officer and is responsible for evaluating her/his performance, as a member of the governing body. as well as approving competitive compensation. A CSO board also has a responsibility to regularly evaluate its own effectiveness—both collectively and as individual members—according to the organization's governing documents and board policies.

The Legal Duties of CSO Boards of Directors

Directors of CSO organizations are held to basic legal duties as a matter of law. The core fiduciary duties are the duty of care, duty of loyalty and duty of obedience to mission.

Duty of care: A director of a CSO organization shall discharge all his/her duties as a director, including those performed as a committee member:

> a. In good faith;
>
> b. With the care that an ordinarily prudent person in a similar position would exercise under similar circumstances; and
>
> c. In a manner the director reasonably believes to be in the best interests of the organization.

The duty of care entails a duty of reasonable inquiry. Each director is obligated to ask questions and demand information to allow him/her to have sufficient information and understanding to make decisions he/she reasonably believes are in the CSO's best interests. This duty means that the director must make time to attend meetings and come prepared to participate.

Duty of loyalty: Directors are obligated to exercise an undivided and unselfish loyalty to the organization they serve. Directors must exercise their obligations and powers in the best interests of the organization and its charitable mission, not in their own interests or in the interests of another person or entity (even if charitable in nature). To assure that directors are operating within the scope of the duty of loyalty they are required to complete conflict of interest disclosures annually and acknowledge any conflict that may arise during the year.

Duty of obedience: Directors are obligated to further the mission of the organization they serve; to be faithful to its purposes and goals as defined by the Memorandum of Association ; to act in conformity with all laws; and to obey board approved organizational policies.

PRACTICES:
General

1. The board of directors has ultimate legal responsibility for the welfare and actions of the CSO. All the organization's powers are exercised under the authority of the board.

2. The board assumes responsibility and accountability for healthy functioning diversity of thought and representation, and culture.

3. For the staffed CSO, directors do not manage the day-to-day affairs of the organization. Instead, they delegate that function to others. Directors must, however, exercise credible, reasonable and prudent oversight without personal bias in respect to corporate officers, agents and employees to whom such affairs are delegated. Where board members might individually fulfill direct programmatic or member service roles, it is important to establish clear boundaries between the role of individuals when they volunteer in these support/direct mission fulfillment roles and their role as a member of a collective decision-making governing body.

4. In the performance of his/her duties, a director may rely on information and reports received from officers or employees whom the director reasonably believes to be reliable and competent, as well as on professional advisors (e.g., attorneys and accountants) and other persons with regard to matters the director reasonably believes are within the person's professional or expert competence. A director may also rely upon a committee of the board of directors of which the director is not a member as to matters within its responsibility, if the director reasonably believes the committee merits confidence.

5. If urgent and necessary, a board may call an extraordinary meeting where the chairperson of the board or one-third of its members request a meeting and may take an action. Or the board may prescribe its own procedures of meeting where one may take an action without a meeting. If the action is taken by all members of the board by written consent describing the action taken, which can be distributed and returned via e-mail or post, signed by 100% of the board members, this should occur rarely. The signed, written consents must be included in the CSO's minutes. If the action warrants discussion, the discussion takes place in person, by phone via a conference call or other interactive audio-visual communications technology prior to the action being approved.

Governing Documents

6. A CSO must file appropriate annual report to the CSO agency. Excepted from this requirement are certain religious organizations that are not considered CSOs under Ethiopian law and are currently registered by the Ministry of Peace.

7. A CSO is required to file a Memorandum of Association and all amendments with the Ethiopian CSO agency.

8. A CSO is required to maintain current bylaws.

9. A CSO is required to file an annual report listing every major activity within three months upon the end of the budget year.

10. A CSO must annually file tax application to the Ethiopian Revenue Customs Agency if the organization was engaged in income generating activities.

11. The board of directors performs a meaningful review of both the annual report and tax forms prior to filing.

12. A CSO that owns and uses real property for its charitable work must apply to the Ethiopia Revenue Customs Authority to receive any duty-free or tax exemption for certain properties.

Board Composition, Characteristics and Qualifications

13. The members of a CSO board are chosen to represent the best interests of the organization. The board defines what diversity means for the board and the organization. Diversity covers a range of characteristics and will look different from organization to organization; however, it reflects the diversity of the community and who the organization aspires to serve, including traditionally marginalized members of the community. Board diversity is critical to ensure a balanced approach toward service delivery and for an understanding of the community and targeted populations' issues in the near-and long-term.

14. A substantial majority of the board of directors of a CSO, usually meaning at least two-thirds of the members, are independent. Independent individuals are those:

> a. Who are not compensated by the organization as an employee or independent contractor;

> b. Whose compensation is not determined by individuals who are compensated by the organization;

> c. Who do not receive, directly or indirectly, material financial benefits from the organization except as a member of the charitable class served by the organization; and

> d. Who are not related to (as a spouse, sibling, parent or child). or do not reside with any individual described above.

15. A CSO must have a minimum of five board members. A CSO board of directors has at least five persons, unrelated to each other or to staff, to ensure appropriate deliberation and diversity.

16. The executive director or other staff may be members of the board of directors; however, due to conflicts of interest, the executive director or other staff are not voting board members.

17. The officers of a CSO are designated in the bylaws and/or Memorandum of Association.

18. Unless otherwise provided in the bylaws or Memorandum of Association, a CSO has a president, secretary, treasurer and other officers appointed by the board of directors.

19. A person may simultaneously hold more than one office in a corporation; however, it is not recommended for the board president to hold more than one office to allow for distribution of power.

20. A CSO may not lend money to, or guarantee an obligation of, a director or officer of the corporation.

21. Although monetary compensation for board members is not prohibited by law, in general CSO board members do not receive monetary compensation for their board duties, unless the bylaws allows it, other than reimbursement for board-related expenses which are not considered as remuneration.

22. If a board member is hired for professional services, compensation for the services must be reasonable.

23. If a board member is hired for professional services, the board of directors determines that the board member is qualified and that the compensation is reasonable based on comparable data prior to approving and paying the compensation. The board member to be hired, and any other board members with a conflict of interest in the decision, recuse themselves. The basis for the board's determination, the recusals and approval is promptly documented in board minutes.

24. Board member term lengths and limits are designated in the bylaws or Memorandum of Association.

Board Responsibilities

25. The board of directors, along with staff, actively participates in developing plans to accomplish the organization's mission, annually or as determined by the board. The board oversees the implementation of the plan and evaluates its success.

26. Board meetings are to be held at least quarterly. Board members are expected to attend all meetings, preferably in person or via interactive technology such as conference calls or audio-visual software.

27. A CSO must keep as permanent records minutes of all committee, board and special meetings and financial and membership information.

28. The board of directors establishes and leads a process for selecting new board members with input from the executive director. The process ensures adequate infusion of new ideas and community perspectives, while preserving institutional memory.

29. Directors articulate prerequisites of board membership to prospective board members; new and prospective board members are provided with a position description that includes clearly stated expectations, a history of the organization and a description of current programs. Board members fully understand their roles and responsibilities to the organization and to the public; they are prepared to articulate the organization's mission and vision and describe its programs to the public. The executive director/CEO ensures that board members are provided regularly with information about current programs and activities that will strengthen the board members' role as organizational ambassadors.

30. The Memorandum of Association and bylaws are legal governing documents of the organization; board members familiarize themselves with the Memorandum of Association and bylaws upon joining the board, and refer to and follow the bylaws when there is question about action in board meetings.

31. The board regularly reviews and, if appropriate, updates the bylaws.

32. New board member orientation is conducted before a board member is expected to attend a meeting and vote on board business. The orientation is led primarily by board members with a focus on board roles, responsibilities, expectations, and key organizational questions.

33. At least annually, the board of directors reviews the organization's Memorandum of Association and bylaws, mission statement and governance policies and amends each as needed to reflect organizational growth and development. The CSO considers if the amendments to the organizing documents meet the disclosure requirement.

34. A CSO's board of directors assumes overall responsibility for ensuring sufficient resources are raised to meet the organization's budgeted objectives.

35. As fiduciary stewards of the organization and to set an example for all stake-holders, all board members may make an annual financial contribution to the organization that is generous within their means. In addition, board members engage in activities that raise and or generate funds from external sources.

36. The board of directors reviews and approves an annual budget for the organization. The board is responsible for ensuring administrative and fundraising costs are realistic and are not
unreasonably disproportionate to program expenditures.

37. When approving an annual budget, the board reviews and approves an annual operational plan and fund development plan.

38. When hiring a new chief executive, the board of directors establishes a hiring plan that supports the comprehensive organizational plan and identifies the skills and experience needed to meet long-term goals.

39. The board of directors conducts an annual outcome-based performance review of the chief executive. The chief executive's performance is assessed in light of organizational accomplishments.

40. A CSO's board of directors or its designees must set reasonable compensation for the organization's chief executive; such compensation includes salary, raises, bonuses and other benefits.

41. The board of directors determines that the compensation is reasonable based on comparable data and reflects the chief executive's qualifications and performance, prior to approving and paying the compensation. Any board members with a conflict of interest in the decision recuse themselves. The basis for the board's determination, the recusals and approval is promptly documented in board minutes. They also stay informed about the compensation of other key personnel.

42. The board of directors establishes a temporary organizational transition for planned or unplanned absences and succession plan to maintain daily operation during the time of a change in executive or board leadership.

43. The board of directors develops organizational policies as recommended throughout the Principles and Practices, including policies that guide how the board will govern and policies that may be listed in the CSO agency's directive.

44. Directors and officers must recuse themselves when they have a conflict of interest regarding a transaction over which they have authority on behalf of the CSO.

45. To assist directors and officers in recusing themselves when they have a conflict of interest, the board of directors adopts a written conflict of interest policy regarding board members, staff, volunteers, consultants and other contractors and adheres to this policy in all dealings. The conflict of interest policy clearly outlines potential conflicts and procedures for disclosure and dealing with conflicts; it provides for review by members of the board not involved in the conflict. Each director reviews, updates and signs his/her conflict of interest statement annually. Potential conflicts are monitored, and the conflict of interest policy is enforced in the event of a conflict.

46. The board of directors establishes and implements a Code of Conduct and Code of Confidentiality governing the professional behavior of board members, including a requirement that every director publicly support actions taken and decisions made by the board and a requirement to keep corporate plans and actions along with donor and client information confidential.

FROM THE FIELD:
Recommended term lengths are two or three years. Recommended term limits are a total of six years (three 2-year terms or two 3-year terms) plus any vacancy the individual filled.

47. As organizational leaders, the board assures that there is a clearly defined set of organizational values. It is the board's responsibility to emulate these values in all their actions and to ensure that these values guide organizational and staff decisions and actions.

48. Board members are provided an opportunity annually to evaluate and collectively review their individual goals, participation, educational and skill development needs, and the overall
effectiveness of the board of directors as a whole.

49. The CSO agency oversees charitable societies in Ethiopia. Dissolution, disposal of all or substantially all assets, and specified mergers must be reported to the Ethiopia Attorney General.

PRINCIPLE:
HUMAN RESOURCES: EMPLOYEES & VOLUNTEERS

Effective management of human resources is essential for achieving organizational success. CSOs adopt and follow fair and equitable human resource and volunteer management practices to attract and retain qualified individuals. CSOs must adhere to all legal employment practices and provide a safe work environment. CSOs establish specific policies and practices that promote mutual cooperation to advance the organization's interests and that reflect appropriate industry standards for remuneration.

PRACTICES:
Recruitment, Retention and Succession

1. A CSO must comply with employment laws in hiring and employing personnel.

2. A CSO and its board of directors must establish and abide by an encompassing equal opportunity employment policy.

3. A CSO aspires to expand these protections to reflect an inclusive environment for staff, volunteers and constituents to deliberately reflect the diversity of the community. A CSO upholds the inherent dignity of all individuals and sets a tone for all individuals to be treated fairly and with respect.

4. A CSO's board of directors or its designees must set reasonable compensation for the organization's chief executive; such compensation includes salary, raises, bonuses and other benefits.

5. The board of directors determines that the compensation is reasonable based on comparable data and reflects the chief executive's qualifications and performance prior to approving and paying the compensation. Any board members with a conflict of interest in the decision recuse themselves. The basis for the board's determination, the recusals and approval is promptly documented in board minutes. They also stay informed about the compensation of other key personnel.

6. A CSO must establish its compensation structure to ensure all individuals are given equal pay for equal work.

7. A CSO must determine the status of any individual providing services in return for compensation (employee or contract worker, as defined by labor law) and timely pay and withhold all applicable employment taxes.

8. A CSO uses the skills of individuals—employees or volunteers—who are suited for the positions they occupy and who are committed to the goals, values and objectives of the organization.

9. A CSO strives to employ staff and use the abilities and talents of volunteers who reflect the diversity of the community and the constituents it serves and aspires to serve, as appropriate to advance program effectiveness.

10. A CSO has a formal orientation program for new employees. It includes, at a minimum, the history and mission of the organization, personnel policies and procedures, criteria for standards of performance, and all mandated employee training programs. Similar practices are implemented for volunteers.

11. A CSO supports the education and professional development of personnel and provides employees with opportunities for growth and advancement.

12. A CSO encourages and provides opportunities for professional development training on cultural competency, diversity and inclusion for staff, volunteers and board members; provides mentoring that affirms individuality; and manages toward inclusion.

13. A CSO provides employees with clear, current job descriptions and the tools needed to produce quality work. Similar practices are implemented for volunteers. These position descriptions reflect and state the nondiscrimination policy of the organization.

14. In addition to ongoing consistent dialogue with staff, a CSO annually evaluates the job performance of staff, provides guidance, and articulates goals, objectives and expectations; it also provides clear and equitable procedures for taking disciplinary action.

15. A CSO has a system in place for the succession of employees, separate from a transition plan, most notably for the chief executive and key board leadership.

Human Resources Policies

16. A CSO adopts a set of specific policies and procedures for employees and another for volunteers.

17. A CSO maintains a personnel file with a separate secure file with any medical information for each employee.

18. A CSO must establish employee record(s), retention policies and procedures that are consistent with applicable laws.

19. A CSO also establishes employee record(s), retention policies and procedures that are consistent with best industry and subsector practices.

20. When required, CSOs must conduct and use background checks for certain positions in compliance with labor law.

21. In addition, CSOs conduct background checks on staff and volunteers who come in contact with vulnerable populations, who perform financial duties, or who serve in other sensitive areas in addition to what is required by law.

22. CSOs must provide a safe work environment that is free from illegal discrimination and harassment.

23. A CSO provides a healthy and affirming work environment as well.

24. A CSO defines probationary period as it is defined under the labor law. If an employer does not establish a specific probationary period or provide that there is no probationary period prior to or at the time of hire, there is a probationary period of 45 days from the date of hire. Upon completion of the defined probationary period, a CSO must demonstrate good cause, as outlined in labor law, to legally terminate employment.

PRINCIPLE:
INFORMATION AND TECHNOLOGY

A CSO must manage information in a manner consistent with confidentiality, safety, accuracy, integrity, reliability, cost-effectiveness and legal compliance. A CSO uses appropriate technology to enhance capacity and thereby improves its efficiency, effectiveness and accuracy in achieving its mission.

PRACTICES:
Information Management and Policies

1. A CSO has in place information systems, including but not limited to accounting and financial management, evidence of regulatory compliance, program evaluation, fund development and donor management, community outreach and public relations, that provide timely, accurate and relevant information.

2. A CSO has technology use, confidentiality and security policies that address staff and board use and that prescribe how all organizational information is accessed, gathered, stored and transmitted; how client and sensitive information is kept secure; how accuracy is maintained; how and what information is backed up and to whom information is made available.

3. A CSO retains relevant documents if it receives notice of pending or actual litigation or government audit or investigation or it if it appears reasonably foreseeable that such litigation, audit or investigation may occur.

4. A CSO has and adheres to a written document retention and periodic destruction policy that includes guidelines for handling documents (physical and electronic files, e-mail messages); disposition of documents; legal hold procedures that prohibit destruction when required; procedures to remove network and physical access of former employees; back-up procedures; archiving of documents; and regular inspections of the reliability of the system.

5. A CSO addresses the appropriate use of mobile technology for organizational work and information.

6. Along a spectrum, a CSO must increase the level of cyber security with increased data sensitivity so that data is not compromised.

7. A CSO considers the sensitivity of all data stored on populations it directly or indirectly serves, as well as clients, donors, staff and volunteers, and implements reasonable cyber security to protect it.

Technology

8. A CSO may designate responsibility for maintaining the organization's information systems to more than one staff person, volunteer or board member; one person is primarily responsible and at least one other person is the back-up. All staff have ongoing training to use the systems relevant to their work.

9. A CSO has a written technology plan integrated into its short-and long-term strategic and operational plans. The plan includes annual assessment of technology capacity and effectiveness and provides for budgeting, funding and a schedule for deployment of necessary technology acquisition and upgrades, as well as provisions for staff training

10. A CSO invests in appropriate telecommunications equipment, hardware, software and online platforms to enhance its ability to achieve its mission.

11. A CSO ensures its electronic and information technology is accessible to staff and volunteers and reasonable accommodations are made.

12. A CSO allocates sufficient resources to train its employees and volunteers in its technology equipment use and maintains and services that equipment. A CSO also ensures that its support agreements are up-to-date. A CSO fosters engagement in system development and allows individuals who will work in-house to understand, experiment and champion system advancement and adoption. Increasing the use of a system maximizes the investment in that system.

13. CSOs provide effective, consistent and sustainable technology support so that staff and volunteers are able to use and maintain the information systems required for them to fulfill the organization's mission. The support may range from in-house paid staff to tech savvy volunteers to external consultants.

14. A CSO has a catastrophic recovery plan; uses reasonable security measures, such as off-site electronic back-up, virus protection (updated regularly) and firewalls, and considers cloud-based technology solutions. It develops and regularly updates its website and maintains e-mail accounts. To the extent possible, back-up processes should be automated, and the back-ups should exist in a location outside of the office.

15. A CSO creates and maintains documentation on the current configuration of its technology infrastructure including user credentials to access mission-critical websites, software licensing agreements, network topology diagrams and a thorough inventory of key hardware including computers and printers.

PRINCIPLE:
PLANNING

Organizational planning is a process through which a CSO defines and sets short- and long- term goals, priorities and the strategies and activities it will employ to fulfill its mission. A holistic plan includes strategies for building organizational capacity and sustaining or growing programs and resources, including board and staff members. Planning focuses stakeholders around the mission. Planning is on-going rather than occasional and requires input from a diverse cross-section of stakeholders to assure the organization's programs continue to meet the needs of its communities and constituencies. Planning is the most central aspect of CSO management and leadership for CSO board and staff members alike and is central to sound decision-making.

PRACTICES:
Vision, Mission, Values

1. Originally defined by its founders or its initial board of directors, a CSO's vision, mission and value statements are regularly reviewed by the board of directors, taking into consideration societal and community changes. This review determines whether these statements are still relevant or should be amended to address evolving needs of its target constituents and the communities at large.

2. For a CSO organization to have a coherent and consistent set of programs, the board of directors and the staff are able to articulate a shared vision and mission for the organization that guides the establishment of its goals and objectives and the selection of strategies for obtaining them.

Assessment and Planning

3. For organizational planning to be effective and to remain responsive and relevant to community needs, a CSO must seek and incorporate input from a variety of sources, such as staff, the board of directors, donors, constituents and a diverse cross-section of stakeholders, including those traditionally marginalized.

4. Organizational planning is intentional and ongoing, with clear metrics and measurable outcomes that reflect the organization's mission and allow continuous learning and improvement.

5. A CSO conducts periodic evaluations of the effectiveness and impacts of the services it is providing, extracts lessons from those evaluations and uses them to plan, direct and strengthen future deployments of CSO and community resources. A CSO may consult with counterparts in its field to devise its evaluation.

6. A CSO develops and adopts a comprehensive plan that drives everything the organization does—programmatic activities, operations, financial management, fund development, communications, and risk and crisis management.

a. The plan incorporates information obtained through an assessment of community needs, the organization's strengths and resources available to meet those needs, and the challenges it faces in pursuing its mission.

b. The plan includes clearly defined goals, objectives and expected outcomes that are quantifiable, measurable and achievable given the magnitude of the services to be provided and the organization's staffing, infrastructure and financial resources.

c. The plan identifies specific programmatic activities designed to achieve organizational goals, objectives and outcomes; timelines for their implementation; and those accountable for achieving them.

d. The plan incorporates a budget that is realistic in terms of anticipated programmatic, operational and administrative expenses, as well as expected revenues.

e. The plan is a useful management tool for measuring progress toward achievement of goals and outcomes and, as such, provides a framework for regular progress reports, reviews and revisions.

f. The plan is flexible enough to allow the board of directors and staff to take advantage of emerging opportunities and to adapt to unanticipated challenges.

PRINCIPLE:
STRATEGIC ALLIANCES

Strategic alliances can take many forms, including the sharing of information and resources, partnerships, collaborations, consolidations and mergers with CSO and income generating entities. Strategic alliances help to strengthen individual CSO capacity, as well as the capacity of the sector as a whole. Strategic alliances and partnerships with public and private sector entities can serve to fill in gaps in services to constituents and communities and better use available resources.

PRACTICES:

I. A CSO actively seeks strategic alliances as a means to help achieve goals, improve effectiveness and organizational efficiency, ensure effective use of charitable resources, strengthen community connections with constituents and others, and improve services.

2. Decisions regarding alliances are consistent with the strategic goals of an organization; the impact on the brand and image of the organization should be positive. A CSO carefully considers how entering into strategic alliances will affect all parties involved. Strategic alliances are never made purely to meet funding challenges and are made only between competent, collaborative and functioning organizations.

3. On a regular basis, a CSO board of directors conducts a community assessment to identify organizations providing similar services and to assess its relationship to/with those organizations.

4. A CSO is knowledgeable about other organizations providing similar or complementary services in its community and/or service area and is prepared to identify, promote and provide referrals to other organizations that may be better able to meet the needs of its constituents, reducing duplication of services and competition for resources.

5. When appropriate, CSOs foster relationships with similar organizations and state, regional and national associations to support mission advancement. CSOs participate as actively as possible in local community events, mission-related networks, public gatherings and other parts of community life.

6. When appropriate, CSOs assist one another through alliances and resource sharing.

7. To promote overall accountability within the CSO sector, a CSO openly communicates with peer organizations to gather and share lessons learned and best practices.

8. CSOs consider consolidations and/or mergers when it preserves or promotes best interest of the constituents, community, service area or CSO mission.

9. CSOs that have local chapters, branches or affiliates have written policies and procedures governing the activities of those chapters, branches or affiliates to ensure their operations are consistent with the mission of the governing organizations.

10. If a CSO organization is anticipating a strategic alliance. partnership, or similar interaction with an income generating entity, the CSO must determine the specific tax implications that may be related to the income associated with the venture and any potential impact on its status.

11. A CSO works to establish communication with and mutual understanding among and across government, CSO and business sectors.

12. A CSO proactively seeks opportunities to participate in a spectrum of alliance activities, as resources and capacity allow, from coordination and collaboration to multi-sector collective impact initiatives, which align data, practices and communication to address complex community-wide challenges.

13. A CSO values and practices inclusion, diversity and equity and therefore seeks input from people with various perspectives who have lived experience in the conditions the CSO strives to impact; the input is sought to both identify challenges and to develop potential approaches and solutions. Input is sought to identify challenges, barriers and potential solutions as well as ways to mitigate barriers.

14. A CSO recognizes the benefit a skilled facilitator and trusted convener play in increasing a community's collective ability to align their efforts and/or create alliances. The CSO helps identify and develop this type of resource as needed.

15. In its alliances within and outside the CSO sector, a CSO actively clarifies expectations, roles and capacity within the partnership/alliance; ensures it retains its ability to uphold its values, mission and brand in the partnership; and creates processes for conflict resolution, recognition, promotion and future renegotiation of the venture/alliance.

16. When considering or engaging in strategic alliances, CSOs are candid with funders about the true opportunity costs of collaborative efforts and openly discuss the potential for funding of those costs.

SELF-EVALUATION TOOL

SELF-EVALUATION TOOL

The Self-Evaluation Tool is a tool to assist CSO staff and board members in identifying priorities for implementation of the Essential Principles and Practices for Non-profit Excellence in Ethiopia. It is important to remember that this tool is strictly for your use and benefit and will not be viewed or used by others unless you share it. It should be treated as a guide to help you start implementing practices that strengthen your organization.

The Self-Evaluation Tool is designed for both staff and board members. The board president and/or the executive director should complete the assessment together. For un-staffed organizations, a committee of the board completing the assessment is preferable to a single board member. The board president or executive director may also wish to designate other staff and/or board members to complete portions of the assessment as it applies to their area of expertise.

As you begin this self-evaluation, review "Creating an Initial Plan" at the beginning of the Essential Principles and Practices guide. This step-by-step outline should be used whenever this assessment is updated. In addition, you should review the "Guiding Questions to Consider Before Starting to Implement" and "Questions to Ask as Your Organization Evolves" prior to starting.

The evaluation is organized by principle and grouped according to the recommendation level: Legal practices, Essential practices and Recommended practices. Answer "yes," "in progress" or "no" to all questions that are applicable to the CSO you serve. The abbreviation "N/A" (not applicable) can be used for questions that do not currently apply to your work. Leave the practice blank if you are not certain if the policy or practice exists or are uncertain about its implementation. Ask others completing the assessment to do the same. After reviewing your files, you can update your response to a more definitive answer and fill your team in on the correct answer.

Once your team has completed the assessment, identify the legal requirements with which your organization is not currently complying. Next, identify the written policies that have not yet been crafted and approved by your board of directors. Use the implementation action plan template at the end of the assessment to start the planning process for legal compliance and policy development. Finally, review the practices your organization has not implemented yet. Taking into account where the organization is in its development, prioritize and list a few practices most important to your organization and make a plan for implementation. List additional priorities that are important, but not as immediate. In some cases, you may be already partially implementing a practice. Congratulations! Give yourself credit for your progress and then decide how important it is for you to fully implement the practice now or in the near future. Some practices will take longer to implement than others. This is a good time to remember that non-profit leadership is a marathon, not a sprint.

PRINCIPLE: ACCOUNTABILITY, TRANSPARENCY AND DISCLOSURE

Legal

	YES	in progress	NO	N/A
1. We comply with all legal and other required reporting procedures	■		■	
2. Our annual reporting documents are available to the public.	■		■	
3. Our directors and officers recuse themselves when they have a conflict of interest regarding a transaction over which they have authority on behalf of our CSO.	■		■	
4. We ensure the provision of nondiscriminatory and, as required, confidential service to our constituents, staff, board members, and all other stakeholders. These policies and procedures must be prominently displayed as required along with procedures to respond to violations as relevant to our organization.	■		■	

Essential

	YES	in progress	NO	N/A
5. We have a written conflict of interest policy for board members, staff and volunteers that is reviewed, updated and signed annually.	■		■	
6. Potential conflicts are monitored, and the conflict of interest policy is enforced in the event of a conflict.	■		■	
7. Our employees and board members review and sigh off on our organization's written policy(ies) on non-discrimination and, as required, confidential service.	■		■	
8. We provide information to the public that describes our decisions and decision-making process.	■		■	
9. We take reasonable steps to make our information public, and, if applicable, our physical facility accessible to our constituents, staff, board members, other stakeholders and the community.	■		■	

Recommended

	YES	in progress	NO	N/A
10. We establish, achieve and regularly measure clearly defined levels of performance in our activities, and we share those results with the public.	■		■	
11. Information regarding our fees and services and readily available to the public.	■		■	
12. We produce and distribute an annual report and/or post information to our website, including names of our board members, management staff, supporters, donors per our donor recognition policy, and documents regarding our activities and program and financial performance.	■		■	
13. We provide multiple means for contacting our organization to request information or provide input.	■		■	
14. We engage a diverse cross-section of stakeholders in the development of goals and service delivery methods to carry out our mission and commit to sharing accomplishments and lessons learned through this engagement.	■		■	

PRINCIPLE: ADVOCACY AND PUBLIC POLICY

Essential

	YES	in progress	NO	N/A
1. We ensure that individuals who are authorized to act as advocates and ambassadors for our organization are knowledgeable about our programs and activities and are prepared to speak on our behalf when appropriate.				
2. We ensure that information provided to the general public, the media and policy makers is timely and accurate and that the social and political context fo the information is clear.				
3. We actively model respectful civic dialogue that promotes collaboration, diverse relationships in the community and awareness of differences while being solution-oriented.				
4. We adopt and adhere to a written public policy and/or advocacy policy that clarifies the scope of the work, as well as the time and resources to be allocated to those activities.				

Recommended

	YES	in progress	NO	N/A
5. We encourage our board members, staff, volunteers and friends to act as advocates and ambassadors for our generation and the entire civil society sector.				
6. We participate in and support the formation and amendment of public policy consistent with our mission.				
7. We assist our constituents in public and civic engagement by encouraging citizen participation in local, regional and federal policymaking efforts.				
8. We continuously maintain an understanding of the current public and political climate and the resulting impact on policy.				

PRINCIPLE: COMMUNICATION

Essential

	YES	in progress	NO	N/A
1. The line of communication between our staff and our board is clearly defined and well understood.				
2. We encourage internal communication that welcomes alternative perspectives, invites and encourages participation at all levels, minimizes defensiveness and builds and maintains camaraderie.				
3. We intentionally seek out traditionally marginalized constituents, community members and other stakeholders for their perspectives. We solicit actively, listen carefully and respond respectfully and with an awareness of our own biases.				
4. We regularly review and update our branding and messaging to accurately reflect and include the diversity of individuals that we currently serve and aspire to serve in the community.				
5. We identify (a) spokesperson(s) who is/are authorized to make public statements about a given issue. All internal constituents are aware of who is/are designated as the spokesperson(s).				
6. Our constituents are provided with appropriate, ongoing opportunities to interact with our board and management regarding our activities.				
7. We provide anonymous methods, including a mailing address, for constituents to provide feedback regarding our activities.				
8. We provide anonymous methods, including a mailing address, in which the constituent can state a grievance or complaint.				
9. We respond promptly and respectfully per policy to grievances or complaints from constituents.				

Recommended

	YES	in progress	NO	N/A
10. We adhere to the highest ethical and professional standards, as well as any applicable industry-specific standards, and exhibit transparency, fairness and honesty.				
11. Our standards are clearly stated in writing and made part of the orientation of all employees, volunteers and board members.				
12. We have a clearly defined, written communications plan that guides both internal and external communications and that supports our comprehensive organizational plan.				

13. Our communications plan includes:
    . goals
    . target audiences
    . key messages
    . strategies
    . tools
    . intended outcomes
    . a means to evaluate results.				

14. Our internal communications are guided by clear policies and practices, such as regularly scheduled and attended meetings, regularly printed and/or e-mailed informational updates, a forum for suggestions, reports on meetings of our board and our committees, recognition and social events.				
15. Our external communications are guided by clear marketing and public relations efforts that may include a newsletter, website, social media channel, annual report, advertising, public service announcements, promotional brochures and flyers, news releases, press conferences and feature stories.				
16. We have written policy and procedures for developing public statements and positions on issues, and all internal constituents are aware of them.				
17. We have written policy and procedures for developing public statements and positions on issues, and all internal constituents are aware of them.				
18. We have a written plan for communicating with the public and the media in times of crisis or emergency. Our plan includes a procedure to communicate internally as well.				

PRINCIPLE: EVALUATION

Legal

	YES	in progress	NO	N/A
1. Information we collect from constituents is kept confidential and is not released in a manner that would allow identification of specific persons served except with their written permission.	■		■	

Essential

	YES	in progress	NO	N/A
2. We conduct, analyze and interpret evaluations in ways that are culturally sensitive and appropriate to the communities we serve and aspire to serve.	■		■	
3. We use evaluation results to strengthen and improve our programs and activities by incorporating them into our organizational planning process.	■		■	
4. We strive to use the most scientifically rigorous evaluation methods possible, including external evaluation, taking into account resources limitations and/or ethical constraints.	■		■	
5. We take care to use reporting language that accurately describes correlation rather than a causation between programmatic efforts and outcomes.	■		■	

Recommended

	YES	in progress	NO	N/A
6. We have in place a defined, ongoing and sustainable process for assessing our programs, procedures, outcomes and impact. All efforts are assessed in relation to: • Our mission based on shared values and beliefs • Group assumptions about programmatic means • Intended impact on the community and people served	■		■	
7. We commit to effective and efficient delivery of service and regularly monitor whether the services being delivered that lead to constituent experience satisfaction also align with our mission.	■		■	
8. Our evaluation includes input from a diverse cross-section of stakeholders, including our staff, board, funders, constituents and community members.	■		■	
9. We create evaluation tools to proactively respond to the needs of diverse constituents and stakeholders. Our staff and volunteers are trained to administer these evaluation tools in a welcoming and affirming manner.	■		■	
10. Our performance measures are realistic, specific and appropriate to the size and scope of the organization and our constituents.	■		■	

11. Our performance measures inform our planning and decision-making and influence decisions to continue, refocus or end programs or efforts.				
12. Our measurements seek information on activities, results and community input.				
13. Our measurements include both qualitative and quantitative analysis methods.				
14. Our measurements seek data focused on the impact of our work on participant outcomes that affect knowledge, attitudes, skills, behavior or conditions, ideally in a lasting way.				
15. We use external evaluators when appropriate and feasible. The evaluators must follow the Guiding Principles of CSO Proclamation no. 1113/2019.				
16. Our evaluation results are communicated to a diverse cross-section of stakeholders, including our staff, board, funders, constituents and community members, using methods that are accessible to the community.				
17. We train our personnel in evaluation methods so as to improve their understanding and utilization of information developed from evaluation activities.				
18. We share relevant lessons learned with other CSOs and funding sources.				
19. We embrace evaluation as a learning, accountability and management tool, both internally and externally, for continuous learning; for demonstrating effectiveness to funders and the community, and that supports and shows continued efforts to become more effective.				
20. We regularly and judiciously assess our data collection practices and data use to minimize unnecessary collection of data and maximize the collection and use of relevant data to inform strategic directions, programs and services.				

PRINCIPLE: FINANCIAL MANAGEMENT

Legal

	YES	in progress	NO	N/A
1. All of our assets are used solely for the benefit of the organization and not for personal or other gain.	☐		☐	
2. Our investment policy outlines the acceptance and the use of gifts and ensures responsible investment of funds. Our investment policy is periodically reviewed and is currently up-to-date.	☐		☐	
3. We expend our funds responsibly and ensure the funder's intent is fulfilled according to the funder's wishes and requirements.	☐		☐	
4. We have a system in place that allows individuals to report misconduct without fear of consequences, retaliation or destruction of records (i.e., a whistleblower policy).	☐		☐	
5. We file an applicable report to the CSO agency according to our annual gross receipts.	☐		☐	
6. Our annual report documents are available to the public.	☐		☐	

Essential

	YES	in progress	NO	N/A
7. One or more of our board members understand(s) our organization's finances.	☐		☐	
8. Our finance or audit committee includes board members who are well-trained and informed to understand financial statements and annual reporting.	☐		☐	
9. Our board member(s)with this understanding or our finance/audit committee guides the full board to ask questions that enable them to understand and monitor the financial condition of the organization.	☐		☐	
10. We create, approve and adopt the organizational budget and operate the organization in accordance with this budget.	☐		☐	
11. We regularly review the budget for necessary amendments throughout the year, depending on actual results and changes in strategic direction during the year. In the event of unexpected results, our board is made aware of this outcome and participates fully in determining a plan to amend or restore the budget to its approved state.	☐		☐	
12. We spend an appropriate percentage of our annual budget on programs, administration and fundraising in pursuance of our mission.	☐		☐	
13. We have written financial policies that are periodically reviewed and are currently up-to-date.	☐		☐	

14. Our policies address:
    • investment of the assets of the organization
    • gift acceptance
    • purchasing
    • unrestricted current net assets
    • loans/lines of credit
    • internal controls				

15. We periodically assess risk, and we have appropriate levels of insurance to manage our liability prudently.				
16. We have a risk management policy that is reviewed periodically and is currently up-to-date.				
17. We follow ethical obligations as stewards of donated funds to expend donated funds responsibly and to ensure the funder's intent is fulfilled according to the funder's wishes and requirements.				
18. Our board of directors performs a meaningful review of the annual CSO report.				
19. We have an audit committee that does not share members with the finance and/or executive committees and is composed of independent board members that oversee the audit function.				
20. Our audit committee has the opportunity to meet with the auditor without the management of our CSO being present.				
21. Every member of our audit committee is able to read and understand an external audit or financial review report.				
22. Our board approves financial audits and other financial reporting forms.				
23. Our Chief Executive Officer or Chief Financial Officer verifies and certifies financial audits and other financial reporting forms to ensure they are accurate and filed in a timely manner.				
24. We meet all requirements of federal, regional, local and/or private granting entities for financial reporting.				

Recommended

25. We annually review the percentages of our organization's resources spent on programs, administration and fundraising Our board influences that allocation through our strategic goals and the final approval of the budget. Our management meets strategic and budgetary goals set by the board, including the allocation of funds among these functional categories.				
26. We consider bequests, planned gifts and pledges when determining the annual budget but do not deploy these funds in budgeting for program expenditures until the gift is actualized.				

27. We establish and maintain a financial reserve sufficient to sustain our operations for a period of time and to meet other short- and long-term goals.			
28. We have guidelines for use of funds donated by bequest for programs that are subsequently discontinued and these guidelines include a statement that the donor will be informed that such redirections may occur as is practical upon acceptance of the bequest/gift.			
29. Our accounting system tracks functional expenses for reporting, generates accurate and relevant financial reports, which include the comparison of actual to budgeted revenue and expense and a year-to-year comparison that identifies and explains any significant variances.			
30. Our financial reports are provided to the board for regular review and discussion at least quarterly.			
31. Our board monitors actual performance against the budget.			
32. We subject our financial reports to an annual audit by a certified public accountant when our annual total revenues are in excess of 200,000 birr.			
33. We consider conducting an outside review of our finances annually when our revenues are less than 200,000 birr or are exempted by law.			

PRINCIPLE: FUND DEVELOPMENT

Legal

	YES	in progress	NO	N/A
1. We honor the donor's intent for their gift.	■		■	
2. We respectfully decline the gift when the donor's intent is not compatible with and does not contribute to fulfilling our mission, when the gift cannot be characterized as fulfilling our mission or when accepting it will create problems or a mission conflict for our organization or our constituents	■		■	
3. Our fund development communications include clear, accurate and honest information about our organization, our activities and the intended use of funds.	■		■	
4. Our fund development materials and other communications with donors, constituents and the public clearly identify our organization.	■		■	
5. We comply with laws concerning Do-Not-Call lists.	■		■	
6. We comply with all applicable charitable solicitation laws and registration requirements when soliciting funds from donors.	■		■	
7. We comply with disclosure laws regarding quid pro quo contributions when a donor receives something of value in return for a contribution.	■		■	
8. We comply with laws concerning fundraising raffles or other games of chance, including reporting for tax purposes.	■		■	
9. We promptly acknowledge charitable gifts by providing donors with required gift substantiation. We report subsequent dispositions of donated assets.	■		■	
10. We identify, report and pay tax on unrelated business income.	■		■	

Essential

	YES	in progress	NO	N/A
11. Our board and our executive leaders are familiar with and adhere to the Association of Fundraising Professionals' Code of Ethical Standards.	■		■	
12. We only use funds in the manner for which the funds were solicited to accomplish our work.	■		■	
13. We establish reserve accounts and endowments for the purpose of supporting the financial sustainability of our organization and our mission.	■		■	
14. Our board members make personal financial contributions to our organization.	■		■	
15. Our board members engage in activities that raise and/or generate funds from external sources.	■		■	

16. We regularly review and update our fund development messaging to ensure it respectfully and thoughtfully reflects historic and current lived experiences of our constituents.			
17. We publicly recognize charitable contributions and are mindful of maintaining donor confidentiality.			
18. We review and consider adopting the Association of Fundraising Professionals' Donor Bill of Rights to inform donor and organization expectations and policies with regards to donors and our contributions.			

Recommended

19. We have a clearly defined, written fund development plan that guides fund development activities and that supports our organization's comprehensive organizational plan.			
20. Our fund development plan includes: .goals .strategies .target audiences .time frames .tools .expenses .role assignments .a means to evaluate results			
21. We adopt and regularly review policies that govern the: .acceptance .receipt .utilization .management .disposal of charitable gifts and grants.			
22. Our compensation for fundraising personnel and consultants is not based on a percentage of funds raised or on other commission-based formulas.			
23. We practice appropriate donor stewardship and regularly communicate with donors regarding our activities and the impact of their charitable support through multiple means.			
24. We have a written policy that governs stewardship of donors and gifts that addresses: .internal and public acknowledgement of gifts and donor information .a threshold for recognizing gifts .the sale and/or sharing of donor information.			

25. We have guidelines for use of funds donated by bequest for programs that are subsequently discontinued.				
26. We understand that contributed income may not fully fund our mission and investigate opportunities to diversify our revenue sources.				
27. We carefully consider how entering into strategic alliances will affect all parties involved, the strategic goals of an organization and the impact on the brand and image of the organization.				
28. We do not enter strategic alliances purely to meet funding challenges. We only enter strategic alliances with competent and functioning organizations.				
29. When considering alternative fund development strategies, we analyze the organizational, financial and beneficiary impact along with its potential consequences to fulfilling our stated mission.				
30. We actively clarify expectations, roles and capacity of the partnership alliance: consider the values, mission and brand; and create a process for conflict, resolution, recognition, promotion and future renegotiation of the venture/alliance.				
31. We regularly evaluate all joint ventures and alliances in terms of revenue generation, opportunity costs and operational impact.				

PRINCIPLE: GOVERNANCE AND LEADERSHIP

Legal

	YES	in progress	NO	N/A
1. Our board understands their legal responsibility for the welfare and actions of the organization and all the organization's powers are exercised under the authority of the board.	YES		NO	
2. In the performance of our duties, we rely on information and reports received from officers, board committees, employees, professional advisors and other persons whom we reasonably believe to be reliable and competent on matters within the person's professional or expert competence.	YES		NO	
3. In the case of actions without a meeting if the action is taken by all members of the board, our board has written consent describing the action taken distributed and returned via e-mail or post, signed by 100% of the board members and included in our organization's minutes. Discussion takes place in person, by phone via a conference call or other interactive audio-visual communications technology prior to the action being approved.	YES		NO	
4. We have an up-to-date Memorandum of Association.	YES		NO	
5. We maintain current bylaws.	YES		NO	
6. We file our annual report to the CSO agency according to article 72 of CSO Proclamation No. 1113/2019.	YES		NO	
7. We file an annual report to the CSO agency according to our annual gross receipts as well as any regional filings as required by law.	YES		NO	
8. If we own and operate a service for profit, we will report the income to the Ethiopian Revenue and Customs Agency.	YES		NO	
9. We have a minimum of five board members.	YES		NO	
10. Our officer positions are designated in the bylaws and/or Memorandum of Association.	YES		NO	
11. Our board has a president, secretary, treasurer and other officers appointed by the board, unless otherwise provided in the bylaws or Memorandum of Association.	YES		NO	
12. A member of our board may simultaneously hold more than one office; however, our board president does not hold more than one office to allow for distribution of power.	YES		NO	
13. Our board does not lend money to, or guarantee an obligation of, a member of the board.	YES		NO	
14. If a board member is hired for professional services, compensation for the services are reasonable.	YES		NO	
15. Our board has board term lengths and limits designated in the bylaws or Memorandum of Association.	YES		NO	
16. We keep permanent records for minutes of all committee, board and special meetings, as well as financial and membership information.	YES		NO	

17. Our board members are familiar with the Memorandum of Association and bylaws upon joining the board, and refer to and follow the bylaws when there is a question about action in board meetings.				
18. Our board sets reasonable compensation for the organization's chief executive; such compensation includes salary, raises, bonuses, and other benefits.				
19. Our directors and officers recuse themselves when they have a conflict of interest regarding a transaction over which they have authority on behalf of the CSO.				
20. We understand that the CSO oversees charitable organization in Ethiopia, and the dissolution, disposal of all or substantially all assets, and specified mergers must be reported to the ACSO.				

Essential

21. Our board assumes responsibility and accountability for healthy functioning. diversity of thought and representation and culture.				
22. Since we have staff, our board does not manage the day-to-day affairs of the organization; instead, the board delegates that function to others. Our board exercises credible, reasonable and prudent oversight without personal bias. The board establishes clear boundaries between the role of individuals when they volunteer in support/direct mission fulfillment roles and their role as a member of our board.				
23. Our board of directors performs a meaningful review of annual reporting to the ACSO prior to filing.				
24. We choose board members to represent the best interests of the organization and reflect the diversity of the community and those who we aspire to serve.				
25. A substantial majority of our board are independent as defined by the CSO Proclamation.				
26. Our board of directors has at least five persons, unrelated to each other or to staff, to ensure appropriate deliberation and diversity.				
27. Our executive director and other staff are not voting board members.				
28. Our board members do not receive monetary compensation for their board duties other than reimbursement for board-related expenses.				
29. If a board member is hired for professional services, our board of directors determines that the board member is qualified and that the compensation is reasonable based on comparable data prior to approving and paying the compensation. The board member to be hired, and any other board members with a conflict of interest in the decision, recuse themselves. We document the basis for the board's determination, the recusals, and approval promptly in board minutes.				

30. Our board and staff actively participate in developing plans to accomplish our mission. Our board oversees the implementation of the plan and evaluates its success.				
31. Board meetings are held at least quarterly and regular attendance is expected.				
32. We establish and lead a process for selecting new board members with input from the executive director that ensures adequate infusion of new ideas and community perspectives, while preserving institutional memory.				
33. Our board members have a position description, including clearly stated expectations, a history of the organization and a description of current programs, and fully understand their roles and responsibilities to the organization and to the public. Our board members are prepared to articulate prerequisites of board membership to prospective board members.				
34. Our board members are prepared to articulate the organization's mission and vision and describe our programs to the public. Our executive director/CEO provides the board regularly with information about current programs and activities to strengthen the board members' role as organizational ambassadors.				
35. Our board regularly reviews and, if appropriate, updates the bylaws.				
36. At least biannually, our board reviews and amends the organization's Memorandum of Association and bylaws, mission statement, and governance policies as needed. We disclose to the ACSO any amendments.				
37. The board assumes overall responsibility for ensuring sufficient resources are raised to meet our budgeted objectives.				
38. Each board member may be asked to make an annual financial contribution to the organization and engages in activities that raise and/or generate funds from external sources.				
39. The board reviews and approves an annual budget for the organization, ensuring administrative and fundraising costs are realistic and are not unreasonably disproportionate to program expenditures.				
40. Our board of directors determines that compensation is reasonable based on comparable data, and reflects the chief executive 's qualifications and performance, prior to approving and paying the compensation. Any board members with a conflict of interest in the decision recuse themselves. We document the basis for the board's determination, the recusals, and approval promptly in board minutes. Our board also stays informed about the compensation of other key personnel.				
41. Our board develops governance and other organizational policies.				
42. Our board has a written conflict of interest policy for board members, staff and volunteers that is reviewed, updated and signed annually.				
43. Potential conflicts are monitored, and the conflict of interest policy is enforced in the event of a conflict.				

Recommended

44. New board members receive an orientation with a focus on board roles, responsibilities, expectations and key organizational questions that is conducted prior to the first meeting and led primarily by board members.				
45. Our board reviews and approves an annual operational plan and fund development plan.				
46. Our board establishes a hiring plan that supports the comprehensive organizational plan and identifies the skills and experience needed when hiring a new CEO.				
47. Our board conducts an annual outcome-based performance review of the CEO in light of organizational accomplishments.				
48. Our board establishes a temporary organizational transition for planned or unplanned absences and succession plan to maintain daily operation during the time of a change in executive or board leadership.				
49. Our board establishes and implements a Code of Conduct and Code of Confidentiality governing the professional behavior of board members.				
50. Our board assures that there is a clearly defined set of organizational values, emulates these values in all their actions, and ensures that these values guide organizational and staff decisions and actions.				
51. Our board annually evaluates and collectively reviews their individual goals, participation, educational and skill development needs and the overall effectiveness of the board.				

PRINCIPLE: HUMAN RESOURCES: EMPLOYEES & VOLUNTEERS

Legal

	YES	in progress	NO	N/A
1. We comply with all employment laws in hiring and employing personnel.	■		■	
2. We establish and abide by an encompassing equal opportunity employment policy.	■		■	
3. We set reasonable compensation for the organization's chief executive; such compensation includes salary, raises, bonuses, and other benefits.	■		■	
4. We establish our compensation structure to ensure all individuals are given equal pay for equal work.	■		■	
5. We determine the status of any individual providing services in return for compensation and timely pay and withhold all applicable employment taxes.	■		■	
6. We establish employee record(s) retention policies and procedures that are consistent with applicable laws.	■		■	
7. When required, CSOs must conduct and use background checks for certain positions in compliance with the law.	■		■	
8. We provide a safe work environment that is free from illegal discrimination and harassment.	■		■	
9. We define employment as it is defined under Labor law proclamation No. 377/2003, and the probationary period shall be 45 days.	■		■	
10. Upon completion of the defined probationary period, we demonstrate good cause, as outlined in labor law, to legally terminate employment.	■		■	

Additional guidance on employee and volunteer human resources practices is available on the Labor and Social Affairs Bureau website: http://www.molsa.gov.et/.

11. We aspire to expand the equal opportunity employment protections to reflect an inclusive environment for staff, volunteers and constituents.	■		■	
12. We uphold the inherent dignity of all individuals and set a tone for all individuals to be treated fairly and with respect.	■		■	
13. We have a formal orientation program for new employees and volunteers that includes, at a minimum: • the history and mission of the organization • personnel policies and procedures • criteria for standards of performance • all federal and regional mandated employee training programs	■		■	

14. We provide employees and volunteers with clear, current job descriptions and the tools needed to produce quality work. Our position descriptions reflect and state the nondiscrimination policy of the organization.			
15. We have ongoing consistent dialogue with staff. We annually evaluate the job performance of staff, provide guidance and articulate goals, objectives and expectations.			
16. We provide clear and equitable procedures for taking disciplinary action.			
17. We adopt a set of specific policies and procedures for employees and another for volunteers.			
18. We maintain a personnel file with a separate secure file with any medical information for each employee.			
19. We also establish employee record(s)retention policies and procedures that are consistent with best industry and sub-sector practices.			
20. In addition, we conduct background checks on staff and volunteers who come into contact with vulnerable populations, who perform financial duties, or who serve in other sensitive areas, in addition to what is required by law.			
21. We provide a healthy and affirming work environment as well.			

Recommended

22. Our employees and volunteers are suited for the positions they occupy and are committed to the goals, values and objectives of the organization.			
23. We strive to employ staff and use the abilities and talents of volunteers who reflect the diversity of the community and the constituents it serves and aspires to serve, as appropriate to advance program effectiveness.			
24. We support the education and professional development of personnel and provide employees with opportunities for growth and advancement.			
25. We encourage and provide opportunities for professional development training on cultural competency, diversity and inclusion for staff, volunteers and board members; provide mentoring that affirms individuality; and manage toward inclusion.			
26. We have a system in place for the succession of employees, separate from a transition plan, most notably for the chief executive and key board leadership.			

PRINCIPLE: INFORMATION AND TECHNOLOGY

Legal

	YES	in progress	NO	N/A
1. We retain relevant documents if the organization receives notice of pending or actual litigation or government audit or investigation or it if it appears reasonably foreseeable that such litigation, audit or investigation may occur.	■		■	
2. Along a spectrum, we increase the level of cyber security with increased data sensitivity so that data is not compromised.	■		■	

Essential

	YES	in progress	NO	N/A
3. We have in place information systems, including but not limited to accounting and financial management; evidence of regulatory compliance; program evaluation; fund development and donor management; community outreach; and public relations that provide timely, accurate and relevant information.	■		■	
4. We have and adhere to a written document retention and periodic destruction policy that includes guidelines for handling documents (physical and electronic files, email messages and voicemail): disposition of documents; legal hold procedures that prohibit destruction when required; procedures to remove network and physical access of former employees; back-up procedures; archiving of documents; and regular inspections of the reliability of the system.	■		■	
5. We address the appropriate use of mobile technology for organizational work and information.	■		■	
6. We consider the sensitivity of all data stored on populations we directly or indirectly serve, as well as clients, donors, staff and volunteers, and implement reasonable cyber security to protect it.	■		■	
7. We invest in appropriate telecommunications equipment, hardware, software and online platforms to enhance our ability to achieve our mission. We appropriately depreciate and replace technology equipment.	■		■	
8. We ensure our electronic and information technology is accessible to staff and volunteers, and reasonable accommodations are made.	■		■	
9. We allocate sufficient resources both to train our employees and volunteers in our technology equipment and to maintain and service that equipment.	■		■	
10. Our support agreements are up-to-date.	■		■	
11. We foster engagement in system development and allow individuals who will work in-house to understand, experiment and champion system advancement and adoption.	■		■	

12. We create and maintain documentation on the current configuration of our technology infrastructure, including:
    . user credentials to access mission-critical websites
    . software licensing agreements
    . network topology diagrams
    . a thorough inventory of key hardware including computers and printers				

Recommended

13. We have technology use, confidentiality and security policies that address staff and board use and that prescribe:
    . how all organizational information is accessed, gathered, stored and transmitted
    . how client and sensitive information is kept secure
    . how accuracy is maintained
    . how and what information is backed up
    . to whom information is made available				

14. We designate responsibility for maintaining our information systems to more than one staff person, volunteer or board member; one person is primarily responsible and at least one other person is the back-up.				
15. Our staff have ongoing training in order to use the systems relevant to their work.				
16. We have a written technology plan that is integrated into our short- and long-term strategic and operational plans. The plan includes: . annual assessment of technology capacity and effectiveness . budgeting, funding and a schedule for deployment of necessary technology acquisition and upgrades . provisions for staff training				
17. We provide effective, consistent and sustainable technology support so that our staff and volunteers are able to use and maintain the information systems required for them to fulfill our organization's mission.				
18. We: . have a catastrophic recovery plan . use reasonable security measures, such as virus protection and firewalls . consider cloud-based technology solutions . automate electronic back-up processes where back-ups exist in a location outside of the office				
19. We develop and regularly update our website and maintain email accounts.				

PRINCIPLE: PLANNING

Essential

	YES	in progress	NO	N/A
1. Our vision, mission and value statements are regularly reviewed by the board to determine whether these statements are still relevant or should be amended to address evolving needs of our target constituents and the community at large.				
2. Our board and staff are able to articulate a shared vision and mission for the organization.				
3. We seek and incorporate input from a variety of sources, such as staff, the board of directors, donors, constituents and a diverse cross-section of stakeholders to be effective and to remain responsive and relevant to community needs.				

Recommended

	YES	in progress	NO	N/A
4. Our organizational planning is intentional and ongoing with clear metrics and measurable outcomes.				
5. We conduct periodic evaluations of the effectiveness and impacts of our services, extract lessons from those evaluations, and use them to plan, direct and strengthen future deployments of CSO and community resources. We consult with counterparts in our field to devise our evaluation.				
6. We develop and adopt a comprehensive plan that includes: . programmatic activities . operations . financial management . fund development . communications . risk management . crisis management				
7. Our plan incorporates information obtained through an assessment of community needs, our organization's strengths and resources available to meet those needs and the challenges we face in pursuing our mission.				
8. Our plan includes clearly defined goals, objectives and quantifiable, measurable and achievable outcomes.				
9. Our plan identifies specific programmatic activities designed to achieve organizational goals, objectives and outcomes; timelines for their implementation; and those accountable for achieving them.				
10. Our plan incorporates a budget that is realistic in terms of anticipated programmatic, operational and administrative expenses, as well as expected revenues.				
11. Our plan is a useful management tool for measuring progress toward achievement of goals and outcomes and, as such, provides a framework for regular progress reports, reviews and revisions.				
12. Our plan is flexible enough to take advantage of emerging opportunities and to adapt to unanticipated challenges.				

PRINCIPLE: STRATEGIC ALLIANCES

Legal

	YES	in progress	NO	N/A
1. We understand the specific tax implications that may be related to the income associated with the joint venture and any potential impact on our tax-exempt status.	☐		☐	

Essential

	YES	in progress	NO	N/A
2. We actively seek strategic alliances as a means to help achieve goals, improve effectiveness and organizational efficiency, ensure effective use of charitable resources, strengthen community connections with constituents and others, and improve services.	☐		☐	
3. We carefully consider how entering into strategic alliances will affect all parties involved, the strategic goals of our organization and the impact on the brand and image of the organization.	☐		☐	
4. We do not enter strategic alliances purely to meet funding challenges. We only enter strategic alliances with competent and functioning organizations.	☐		☐	
5. We are knowledgeable about other organizations providing similar or complementary services in our community and/or service area and provide referrals to other organizations that may be better able to meet the needs of our constituents.	☐		☐	
6. We value and practice inclusion, diversity and equity and seek input from people with various perspectives who have lived experience in the conditions the CSO strives to impact in order to identify challenges and to develop potential approaches and solutions.	☐		☐	

Recommended

	YES	in progress	NO	N/A
7. We conduct a community assessment to identify organizations providing similar services and to assess our relationship to/with those organizations.	☐		☐	
8. We foster relationships with similar organizations and state, regional and national associations to support the advancement of our mission. We participate as actively as possible in local community events, CSO networks, public gatherings and other parts of community life.	☐		☐	
9. We assist other CSOs through alliances and resource sharing.	☐		☐	
10. We openly communicate with peer organizations to gather and share information on lessons learned and best practices.	☐		☐	
11. Our board considers consolidations and/or mergers when it preserves or promotes the best interest of the constituents, community, service area or CSO mission.	☐		☐	

Essential principles & practices for non-profit excellence in Ethiopia

12. We have written policies and procedures governing the activities of our local chapters, branches or affiliates.				
13. We have established communication with and mutual understanding among government, CSO and business sectors.				
14. We proactively seek opportunities to participate in a spectrum of alliance activities, as resources and capacity allow, from coordination and collaboration to multi-sector collective impact initiatives, which align data, practices and communication to address complex community-wide challenges.				
15. We recognize the benefit a skilled facilitator and trusted convener play in increasing a community's collective ability to align our efforts and/or create alliances.				
16. We actively clarify expectations, roles and capacity of the partnership/alliance; ensure we retain our ability to uphold our values, mission and brand in the partnership; and create a process for conflict resolution, recognition, promotion and future renegotiation of the venture/alliance.				
17. We are candid with funders about the true opportunity costs of collaborative efforts and openly discuss the potential for funding of those costs.				

LEGAL REQUIREMENT COMPLIANCE

List the legal requirements to be met.

Legal Requirement	Action Process/Steps for Compliance	Timeline for Compliance	Persons/Committee Responsible (if appropriate)	Person Responsible for Oversight

NOTES

POLICY DEVELOPMENT

List the policies to be developed.

Policy	Process and Steps for Development	Timeline for Development	Persons/Committee Responsible (if appropriate)	Person Responsible for Oversight

NOTES

Essential principles & practices for non-profit excellence in Ethiopia

PRACTICE IMPLEMENTATION

List the practices to be implemented.

Practice	Process/Steps for Compliance	Timeline for Development	Persons/Committee Responsible (if appropriate)	Person Responsible for Oversight

NOTES