

# Guideline on the control of financial gifts and other funds (2022)

## 1. Purpose

The Integra Foundation is a non-profit organization that carries out its activities thanks to funds and donations from a wide range of entities. It is our responsibility to provide all donors, supporters and other interested parties with a reliable database of data on our management and funding of our individual non-profit entities. For that reason, Integra Foundation has adopted this donor and fund control directive.

The purpose of this directive is to ensure that financial gifts and other funds are spent in accordance with the objectives set forth in the Foundation's charter and in individual project documents and gift agreements or agreements with third parties.

## 2. Scope and responsibility

This guideline applies to all employees working for the Integra Foundation, including freelancers, its volunteers, the management of the Integra Foundation together with the members of the Board of Directors, and the partner organisations with which the Integra Foundation cooperates.

Integra Foundation expects all partner organizations with which it works to adhere to the principles and policies in this guideline and encourages them to adopt similar policies within their own organizations.

This Directive and its compliance are overseen by the Integra Foundation Administrator, who is subject to the oversight of the Board of Directors.

## 3. Compliance with relevant directives and laws

The Integra Foundation and its employees, volunteers, management and board members are bound by the Foundation Charter and all relevant internal policies of the Integra Foundation. The Integra Foundation is bound by all applicable laws and regulations of the Slovak Republic.

## 4. Definitions

For the purposes of this guideline, a **donation** is defined as a situation in which the Integra Foundation is the recipient of a gift and the gift is accepted.

The **donor** may be a natural or legal person. The donor makes the donation voluntarily, without coercion and at his/her own discretion, without any claim for further favour from the Integra Foundation.

For the purposes of this guideline, a **donation** means a financial gift of any value.

## 5. Compliance of the use of the donation with the purpose for which it was donated

The Integra Foundation is obliged to use the donation only for the purpose for which the donation was received, unless otherwise specified.

The Integra Foundation may use the donation for a purpose other than that for which it was intended only if the use does not contravene good morals and the laws of the Slovak Republic. The use of a donation for a purpose other than the agreed purpose may occur in particular in the event of a change in the budget, budget overruns or if there are changes in the needs of a programme or project.

If the purpose of the donation is not defined and cannot be determined, the Integra Foundation may use the donation at its own discretion, without violating the law or good morals.

The Integra Foundation has systems in place to track donations and contributions from various sources.

Integra Foundation reserves the right to retain a portion of the donation to be used for the Foundation's operating costs. The amount depends on the agreement between the Foundation and the donor. Unless otherwise agreed, the Integra Foundation will retain the following for its operating costs

- a) a maximum of 10% of the donations received in humanitarian collections,
- b) a maximum of 20% of donations received in the Child Support Programme or other donations received.

### **5.1 Financial donations and their use**

The Integra Foundation provides its donors with the opportunity to sponsor its activities, in particular:

1. Supporting students and projects in the Child Support Programme
2. Support for humanitarian collections
3. Support for tree planting within the Million Trees for Africa project
4. Support Fair Trade activities
5. Support for educational activities
6. General support for Integra Foundation activities
7. Any other project agreed between the donor and the Integra Foundation.

The donor may make a donation to the Integra Foundation in various ways, in particular:

1. By sending funds to the Integra Foundation's account (IBAN: SK92 1100 0000 0026 2447 5468) or to the account of the Child Support Programme (IBAN SK90 1100 0000 0026 2547 5865) or to another designated "project" account.
2. In cash, to the responsible person authorised to accept the donation on behalf of the Foundation and this amount will be deposited into the Foundation's account referred to in point 1.
3. Make the donation through the online donation portal [www.ludialudom.sk](http://www.ludialudom.sk)
4. By postal order
5. By supporting a public collection announced by the Integra Foundation
6. Purchasing tickets to events organised by the Integra Foundation

7. By purchasing through the e-shop <http://malaika.sk/darceky>
8. Purchasing items (postcards, books, t-shirts)
9. By contributing to the donation box
10. By sending funds to a specific Integra Foundation project account based on an agreement with the donor.

The donor makes the donation voluntarily, without coercion and at his/her own discretion, without any claim for further favoritism on the part of the Integra Foundation.

The donor may make a one-off donation or a regular donation by means of a gift agreement. A gift agreement is concluded by the donor voluntarily making a gift and the Integra Foundation accepting the gift, unless the donation has been refused under this Directive. A donation contract may also be concluded in writing at the request of the donor. A model gift agreement is attached as Annex 1.

Donors will receive regular information on the use of their donations, in the form of regular newsletters, personal letters or photographs of the children supported. They can also find out more about the use of their donations on Integra Foundation's social media.

For donations or grants received from grant or other appeals, the Foundation will provide regular narrative and financial reports as previously agreed with the donor.

The Integra Foundation is obliged to prepare an annual report with all the formalities stipulated in the relevant law and to publish it on its website. The Integra Foundation shall also send the annual report to all its donors in an electronic or written version.

## **5.2 Acceptance of a major gift**

The Integra Foundation shall carry out due diligence before accepting major gifts, in respect of gifts of more than EUR 5 000 received from natural or legal persons.

The check will include, as a minimum:

1. Whether the purpose or object of the business or activity of the legal entity is consistent with or neutral to the Integra Foundation's principles and values,
2. The third party's history, market position and reputation.

Should the donor be involved in activities that are contrary to Integra Foundation's goals or values, or should the Foundation have any doubt about the donor's reputation, or should the acceptance of a gift be detrimental to Integra Foundation's reputation, the Foundation will refuse funds from such donor.

## **6. Consistency of local partners' activities with the Integra Foundation's purpose, goals and strategy**

Integra Foundation will make every effort to ensure that the use of donations is consistent with the Foundation's purpose, goals and strategy for all partners with whom it works and to whom it provides funds or resources.

Integra Foundation will properly vet its potential partners before entering into any collaboration with them. The Foundation shall adopt an internal document on the process of establishing cooperation with local partners.

Integra Foundation will enter into a Contract or other form of agreement with each partner setting out the purpose for which the donations provided by Integra Foundation will be used. A sample cooperation agreement can be found here (MOU).

## **7. Controls and risk management**

All transactions between Integra Foundation and third parties to whom the Foundation provides funds are governed by written agreements. Transactions entered into without a written agreement or other approval by authorized persons shall be deemed null and void.

All payments must be approved by the Director and/or Senior Project Manager responsible for the project. Payments in excess of EUR 100 must be approved by the Director.

Contracts relating to the disbursement of funds and resources from the Integra Foundation should include, as a minimum:

- (a) information on how much funding will be provided,
- (b) the terms and conditions of the financial contribution,
- (c) the method of disbursement of the financial contribution,
- (d) the repayment of the financial contribution if the funds or resources are used for purposes other than those intended or agreed;
- (e) the return of surplus funds, if applicable;
- (f) other expected roles and responsibilities of the donor and the recipient of the contribution.

## **8. Monitoring and evaluation**

Integra Foundation uses monitoring and evaluation as a method of tracking progress, delivering on promises to its donors, ensuring risk management and control, and applying best practices.

Integra Foundation regularly monitors all activities carried out by it or by a local partner through field and/or remote monitoring.

When managing funds, Integra Foundation will keep records of all donations, donors, income, transactions and activities related to the raising and use of funds with relevant details.

Integra Foundation will comply with all relevant laws in the production of financial reports, progress and evaluation reports, and monitoring trip reports.

## **9. Withdrawal from the contract**

In all transactions involving Integra Foundation funds or resources, the Foundation reserves the right to withdraw from the agreement if funds are misused or if activities are not being carried out satisfactorily.

## **10. Final provisions**

The Foundation's Statutory Representative shall have the power to amend or repeal the provisions of this Directive.

Approved by:

Allan Bussard – Director

Iveta Novotná – Financial Director

Board Members