

# TI's Donation Policy, Procedure and Guidelines

## Introduction

**Donations and other income enable TI to fight corruption. TI needs to secure the funding necessary to undertake its vital work. Secure and diverse funding enables TI to maintain its independence, protect its reputation and operate effectively.**

## Background

The National Chapters and the Secretariat of TI (TI-S) are funded from diverse sources: foundations, governments, the private sector, individuals, membership fees, income from publications, events and other activities and from an endowment fund. Relying on many sources of income helps TI to maintain its independence. Funding may be unrestricted or tied to specific projects.

Generally the National Chapters and TI-S ('TI Bodies') each raise their own funding. As regards fundraising for the Secretariat, the Donor Relations department leads and coordinates fundraising activities at TI-S. A sub-committee of the TI Board, the Fundraising Task Force, pursues and oversees major fundraising initiatives for the movement. This committee also advises on all matters referred to it under the procedure described below.

TI must not risk jeopardising its reputation for honesty, openness and integrity. Its reputation could be compromised if a TI body received funding from sources that were perceived to be pursuing activities inconsistent with TI's mission.

## Policy

It is TI's policy to accept funding from any donor and whether monetary or in kind, provided that acceptance does not:

- impair TI's independence to pursue its mission
- endanger its integrity and reputation.

## Scope

This Policy applies to all fundraising for all TI bodies, regardless of types of donor or amounts involved, unless otherwise stated in this document. It is to be applied to all new funding from existing donors and to all new donors in the future. It does not apply to income raised from the sale of publications or from fees for participation in conferences, events and other activities. Appropriate care to protect the reputation of TI should always be taken.

## Guidelines

Funding to enable TI bodies to carry out their work should be sought from a wide range of sources. Care should be taken to ensure that project-related funding does not result in undue influence over TI's programme work. Subject to maintaining TI's independence and reputation, TI bodies may accept funding from all kinds of sources.

Each TI body should list all donations over € 1,000 and publicly disclose them, including in the Chapter's Annual Report and on its website, and likewise in the case of TI-S. If there is a significant risk that receiving funds from a particular source would impair TI's independence or if there is a significant risk to TI's reputation from public association with the donor, then funding from that source must not be accepted by a TI body.

Any donation to a TI body must be able to stand up to public scrutiny. TI's independence requires that a donor may be subject to the same criticism by TI as any other organisation or individual in a comparable situation. A donor accused of having been involved in corruption can expect no protection from TI.

TI can receive funding from corporations and donors from the private sector. This does not imply any endorsement of a donating company's policies or record. It is advisable that a potential donating company has made a public commitment to ethical standards (such as the UN Global Compact, the Business Principles etc.), and TI bodies may request that corporate donors sign a commitment to integrity before any donation from that company is accepted. No TI body should accept a donation from a company that is found to have engaged in corruption unless the company can demonstrate that this was a violation of the company's policies, that breach of these policies are being addressed in an appropriate manner, or that its policies have been amended to proscribe a similar violation in future. TI works with companies on the understanding that they are working towards a business environment in which bribery is not accepted.

## Procedure

It is the responsibility of the staff and Boards of Directors of TI bodies to ensure that TI's independence and reputation are not jeopardised. The procedure below describes the steps which should be followed when a staff or Board member believes that any TI body has accepted, or is considering accepting, funding from an inappropriate source. Other people associated with TI may also make use of this procedure.

1. If any staff or Board member of a TI body is concerned that there is a threat to TI's independence or reputation from donations already received, or about to be accepted, the person(s) should draw this to the attention of the manager or Chair of the Board of that particular TI body.
2. If necessary, the manager or Chair of the Board of the body will consult with the Fundraising Task Force of the TI Board and seek their advice on whether to accept funding from a specific donor.
3. If any TI body proposes to accept more than €100,000 (or an amount greater than 20% of its overall budget) from any private company in a year, this should be brought to the attention of the TI Board Fundraising Task Force for their advice.
4. All communications with the Fundraising Task Force of the TI Board should be made through a TI Board member or the Chief Executive of TI-S.

The Fundraising Task Force will report to the TI Board all guidance given under this procedure.

*Passed by the Transparency International Annual Membership Meeting, 10 October 2004*