



Swedish Fundraising Council Code of Quality

**Adopted by the Annual Meeting of the Swedish
Fundraising Council on 30 May 2007**

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A. Introduction

The mission of the Swedish Fundraising Council (SFC) is to provide support to organisations in the fundraising sector. As part of its work to ensure the quality of these operations, SFC has, together with Öhrlings PricewaterhouseCoopers, developed a Code of Quality for Swedish fundraising which encompasses a larger number of aspects of the organisations' operations than SFC's Guidelines for Ethical Fundraising. One purpose of the Code is to build and maintain confidence in the sector. The organisations responsible for the Code are different in many ways, but also share common characteristics. Bearing this in mind, the formulation of the Code has been inspired by international and Swedish initiatives. The Code is intended to supplement current legislature as well as the rules and guidelines regulating SFC's member organisations. Our ambition has been to work in close dialogue with internal and external stakeholders and the result is a principle-based code to be applied by SFC's member organisations according to the "comply or explain" principle.

Why is a code for the fundraising sector necessary?

SFC's member organisations depend upon the support of the general public to conduct their operations and work towards their missions. The member organisations receive contributions via fundraising and distribute donations to appropriate initiatives or projects. The organisations are dependent upon their donors' commitment and upon their confidence in the organisation's ability to accomplish what the individual alone cannot. SFC's member organisations must thus ensure that these operations are permeated with stringent demands with regard to ethics and morals. Quality and professionalism in the operations are crucial in order for the sector to gain and maintain public confidence.

This striving for constant improvement constitutes the basis of the work of the Swedish Fundraising Council (SFC), an association for organisations in the fundraising sector (the organisations that were members of SFC when the Code was accepted are listed in Appendix 4). SFC aims to counteract the activities of irresponsible organisations in the fundraising sector and to create a beneficial climate for voluntary work and fundraising in Sweden. The "Guidelines for Ethical Fundraising"¹ were established in 1999 as part of this work.

Since the guidelines were accepted, the sector has developed and society has changed. Donors not only demand that organisations engaged in fundraising operate ethically, but also that they demonstrate clear impact, effective use of resources, transparency and good governance and control. In Sweden, no cohesive documentation supports organisations' work with these issues. Consequently, SFC has chosen to collaborate with Öhrlings PricewaterhouseCoopers in order to produce a code for the fundraising sector dealing with aspects of the organisations' activities beyond those found in SFC's guidelines for ethical fundraising. This work has been undertaken in active dialogue with SFC's members and those external players considered to be important stakeholders in SFC's member organisations. SFC owns this code.

¹ See www.frii.se

The purpose of the Code

The purpose of the Code is to increase transparency and openness within the organisations and thus strengthen confidence in the organisations applying the Code. It also aims to contribute to increased professionalism and improved governance, as well as making sure that there are structures in place for the evaluation of the organisations' operations. Based on existing rules, the Code defines what may be considered best practice for operations in SFC's member organisations. By identifying and defining the common values that organisations should incorporate, the Code can strengthen confidence that donations are being used in an effective and appropriate manner.

Work on the Code has been undertaken on the premise that the definition of "effective operations" should be assessed on a case by case basis. Consequently, the Code primarily requires that organisations provide a description of their objectives, the manner in which each organisation conducts its operations and the extent to which the organisation is achieving its objectives. An individual observer should subsequently be able to determine whether these operations can be deemed effective.

Ethics and morals

The terms ethics and morals are often perceived as synonymous. For the sake of clarity, the Code of Quality treats these terms separately, with support primarily coming from the Swedish National Encyclopaedia's comprehensive definition of the words. Ethics refers to the set of regulations, principles, policies and guidelines applied to SFC's member organisations and their employees or recognised in the environment in which the organisation is located and is active. The guidelines contained in the Code of Quality provide these ethics. The word moral refers to how well the sector, the member organisations or their employees conform to these adopted or generally recognised principles. Morals, therefore, require that the Code of Quality's guidelines be applied, which entails that the organisations must either comply with the guidelines or explain any deviations.

Best practice – comply or explain

This Code of Quality is an expression of best practice for the operations of SFC's member organisations. The sector is heterogeneous and FRIL's member organisations vary considerably. Therefore, the Code of Quality naturally cannot be complied with in the same manner in all parts by all SFC member organisations. Such factors as the size of the organisation, its financial resources, maturity and character, whether operations are conducted as a foundation or as a non-profit association or other aspects relevant in the context are important for the understanding of why a fundraising organisation may choose not to comply with certain parts of the Code's guidelines. However, moral considerations require that the code and its guidelines be applied, implying that organisations must either comply with the guidelines or explain any deviations. Each organisation is therefore instructed to determine which parts of the Code it will comply with and in which respects it wishes to deviate from the Code's guidelines. Explanations must be supplied for all cases in which the organisation chooses to deviate. Well-justified deviations from the guidelines do not, therefore, mean that the organisation does not meet requirements for best practice or that its morality should be questioned. In this context, the requirements regarding accounting, openness and transparency supercede the requirement to comply with all guidelines.

What characterises the organisations responsible for the Code?

All organisations responsible for the Code conduct some form of fundraising. The word fundraising, as referred to in this Code, primarily concerns the collection of funds by organisations within SFC in Sweden from the general public and from companies for the benefit of the organisations' stated mission. However, the collection of used clothes, services and products, the sales of goods and lotteries for charitable causes are also included. SFC is comprised of a heterogeneous group of organisations and is, therefore, characterised by diversity in organisational form and size, as well as in sources of financing, focus of operations and working methods. The starting point for drafting the Code has been to take these characteristics into account and consider the different manners in which the organisations create value. Examples of differences are:

- A number of organisations have the nature of a popular movement, at the same time as the popular movement concept does not form the basis for all organisations.
- The sector comprises both associations/religious communities² and foundations. This implies, for example, that certain organisations have an active membership while others cannot have members.
- Associations regard the freedom to write their own statutes, that is, the freedom of association, as a fundamental principle. The Code is not intended to restrict this freedom.
- In some organisations, the Board is responsible for representing the members' interests. In other cases, members of the Board are appointed on the basis of personal mandates in which the qualifications of the individual are crucial.
- Some Boards work exclusively with strategy, while other Boards play an active part in the activities of the organisation.
- Voluntary work constitutes the basis of some organisations' operations, while other organisations make greater use of employed personnel.
- Funds raised constitute the sole source of income of some organisations. In other organisations, collected funds constitute only a small portion of resources.
- Some organisations receive government grants, others do not.
- Organisations vary in size and have different mandates and focuses.
- Some organisations run operations themselves while others focus on fundraising, letting other actors conduct the actual operations.
- Some organisations are active only in Sweden, while others are part of international networks, alliances or organisations.

However, SFC's member organisations are not only characterised by diversity, but also have a number of distinctive characteristics. Certain possibilities, difficulties and challenges are thus common to its member organisations.

- The fundraising sector is included in what is often called the civil society or third sector and therefore has a special place in our society.
- The organisations are non-governmental and have a non-profit purpose.
- The organisations create commitment and participation by providing people with the opportunity to give donations.

² From here on, the term "associations" refers to both associations and religious communities

- The organisations have a large number of stakeholders³ which influence or are influenced by the organisation's operations, but who sometimes lack any formal possibility of affecting the organisation, for example beneficiaries.
- The organisations' legitimacy is based upon the confidence in and quality of their work, and the support received from parties interested in the organisations. The organisations maintain their legitimacy by taking the stakeholders' requirements into consideration and through making a commitment to achieving the organisations' mission in all operations. This requires the organisations to employ the right people, invest resources strategically and ensure efficiency in their operations.

International initiatives

Internationally, there are a large number of codes for civil society organisations. In June 2006, for example, the "International Non-Governmental Organisations Accountability Charter" was adopted. This code deals with such issues as raising awareness, raising funds and achieving objectives, as well as governance and control.

In addition, a number of codes have been prepared at a national level, for example:

- "Good Governance", a code for the voluntary sector in England, which was established as a joint effort between umbrella organisations for voluntary organisations and which has been updated and followed up by the Governance Hub.⁴
- "*Code goed bestuur voor goede doelen*" (Code for Good Governance of Charity Organisations), a code for the fundraising sector in the Netherlands compiled by VFI, SFC's Dutch sister organisation.⁵

These codes focus on management and control. However, several national umbrella organisations have also drawn up codes dealing with a number of areas.⁶

The Code's relationship to laws, regulations and guidelines as well as the Swedish Code of Corporate Governance

There are no laws in Sweden specifically regulating the manner in which the raising of funds from the public may take place. Neither are there any restrictions regarding who may raise funds and for which purposes. However, laws such as the Marketing Act (1995:450), the Personal Data Act (1998:204) and the Lotteries Act (1994:1000) govern the work of organisations.

³ These stakeholders can include, for example: beneficiaries/target groups, donors (for example the public, corporate and/or governmental), members, personnel and volunteers, partners with whom the organisation collaborates (for example, in connection with implementation, lobbying and/or sponsorship), institutions regulating and/or controlling the organisation's work and individuals and/or organisations that the organisation wishes to change.

⁴ For more information, see the organisation's web page: www.governancehub.org.uk

⁵ For more information, see the organisation's web page: www.vfi.nl

⁶ Examples of such codes are:

- Australian Council for International Development – Code of Conduct for Non Governmental Developmental Organisations
- Canadian Council for International Co-operation – Code of Ethics
- Institute of Fundraising (UK) – Code of Fundraising Practice: "Accountability and Transparency in Fundraising"
- South African NGO Coalition – Code of Ethics
- World Association of Non Governmental Organisations – Code of Ethics and Conduct for NGOs

Those organisations that are foundations are additionally regulated by the Foundations Act (1994:1220). For associations, there are no equivalent regulations under civil law. Within the field of accounting, there exists a few general advices as well as recommendations, issued by the Swedish Accounting Standards Board, which specially pertains to non-profit organisations.⁷ Larger organisations must also comply with the Annual Accounts Act (1995:1554) and the Book-keeping Act (1999:1078).

As with Swedish business, SFC member organisations have a tradition of self-regulation in addition to existing legislation, which means that the organisations have assumed the responsibility of developing rules and guidelines to increase quality and openness. This Code forms part of the self-regulation of the organisations.

The Code focuses on the quality of the organisations' operations. The starting point for the drafting of the Code has been that transparency, together with good governance, form prerequisites for maintaining a high level of quality. This has been partly inspired by the Swedish Code of Corporate Governance (which came into effect on 1 July 2005), but due to the fundraising sector's distinctive characteristics (as presented above), guidelines for important areas other than governance are included within the Code.

The Code forms a complement to other existing rules and guidelines regulating SFC's member organisations. Membership in SFC requires, among other things, that the organisation in question possesses a controlled fundraising account (a so-called "90 account"), meaning that the organisation is subject to control by the Swedish Foundation for Fundraising Control (SFI). SFI has also prepared regulations for organisations with 90 accounts and works to ensure that fundraising operations are not burdened with unreasonable expenses, using sound marketing methods in the area of fundraising and developing suitable methods for fundraising control. According to SFI's special requirements, which came into effect on 1 July 2006, an accountant meeting SFI's special requirements should review the manner in which the organisation fulfils its mission.⁸

In addition, SFC has other, previously-adopted internal guidelines for its member organisations:⁹

- SFC's statutes
- SFC's guidelines for ethical fundraising
- SFC's template for annual report, which provides an interpretation of generally accepted accounting practice in the sector
- SFC's guidelines regarding investment policy
- SFC's guidelines regarding face-to-face fundraising
- SFC's guidelines regarding savings
- SFC's guidelines regarding telephone fundraising
- SFC's five points for donor guidance at the point of donation
- The Swedish donor's Bill of rights
- The International Statement of Ethical Principles in Fundraising

Additionally, many of SFC's member organisations have defined their own guidelines for their operations. The Code does not replace these guidelines, but acts as a complement to the existing documents.

⁷ The Swedish Accounting Standards Board's general advice for associations (BFNAR 2002:1-3 and 2002:8-11) and the Swedish Accounting Standards Board's statement regarding accounting in grant-making foundations (BFN 95:3).

⁸ For more information, see www.insamlingskontroll.se

⁹ These guidelines were current in April 2007.

Procedure used in drafting the Code

The drafting of the Code was carried out in two stages. During the first stage in spring and summer 2006, a first discussion draft was prepared by a task force comprised of representatives from SFC, SFC's member organisations and Öhrlings PricewaterhouseCoopers. This work was carried out in close cooperation with a steering group made up of SFC's quality assurance group. The task force based its work upon an analysis of existing initiatives including a study of international codes and applicable Swedish legislation, supplemented by a number of in-depth interviews with individuals from SFC's member organisations. The first discussion draft was presented to SFC's member organisations at member meetings in August and September, after which the second stage of the work was begun. During autumn 2006, the discussion draft was evaluated and established by way of referral to stakeholders for comment. In a parallel process, stakeholders outside SFC, for example SFI, were invited to submit comments on the discussion draft. SFC's Board processed the comments received and presented a new draft, dated 15 February 2007. Following this, a number of minor adjustments were made to the current document. Two information meetings were held for the members in March/April 2007. The final Code was adopted by SFC's Annual Meeting.

The Code's formulation and content

As the organisations differ in so many respects, the Code does not try to regulate the organisations' operations in detail. In other words, the Code is generally principle-based, which implies that the Code is comprised of a number of principles rather than detailed rules. The text is divided into three parts: this introductory Part A, a second Part B which includes the text of the Code, and a third Part C which describes the manner in which application of the Code is controlled as well as presenting routines for updating it. The text is supplemented with four appendices. Appendix 1 is made up of a collection of examples which provides support for the application of the Code by providing suggestions regarding the manner in which certain parts of it may be implemented. At future updates of the Code, the aim is that examples included in Appendix 1 shall be supplemented and improved upon. Furthermore, the appendices also include suggestions regarding the structure of the organisation's Code Report, a checklist with a summary version of the Code and a SFC member list.

The Code contains guidelines covering seven areas:

- 1 Overall principles of SFC's Code of Quality
- 2 Stakeholders
- 3 Impact
- 4 Governance
- 5 Fundraising
- 6 Human resources (employed and volunteers)
- 7 Reporting and information

As mentioned above, governance is deemed to be particularly important and the Code therefore contains more detailed guidelines within this area. Under this heading, the Code follows the same structure as the Swedish Code of Corporate Governance, but the Code's text is generally briefer, at the same time as the organisations' distinctive characteristics have made it necessary to deal with other issues in more depth.

Certain headings feature a text in italics which serves as an introduction to the respective section. The purpose of this text is to present an overview of the principal point of view on which the rules which follow are based. The text in italics is not a component of the rule, and there is no requirement to comply with or justify any deviations from such text.

Which organisations are expected to apply the Code?

The Code was adopted by the SFC's Annual Meeting in spring 2007. The member organisations should apply the Code by no later than the first financial year after 31 December 2008. The Code may, naturally, also be applied earlier. This entails that the organisations either comply with the guidelines or explain why they have chosen not to do so. In normal cases, the Code is assumed to refer to an organisation constituting a Swedish legal entity and which, as such, is a member of SFC. Should the organisation belong to an international or national structure, the organisation should state in the Code Report which part of the organisation the Code is applied to, as required according to point 7.1.

What type of reporting is expected of the organisations applying the Code?

Reporting requirements are summarised in section 7, "Reporting and information". As the Code aims to increase transparency, the specific intention of this section is to elucidate the requirements placed by the Code in this respect.

The basic principle of the Code is that increased transparency should be achieved by making relevant information easily accessible for stakeholders. The only requirement that the organisations are not at liberty to deviate from is the requirement for a Code Report. There are two alternative ways in which the Code Report may be formulated. The Code Report should consist of a summary indicating with which Code guidelines the organisation has chosen to comply and from which guidelines the organisation deviates. In the case of deviations, the Code Report should include explanations.

The guidelines of the Code are of two types. Certain guidelines regulate the organisation and/or running of the operation, so-called "operational requirements". Other guidelines only require that the organisation accounts for the actions it has chosen to take, so-called "information requirements". The information requirements in the Code Report should be followed by details as to where the relevant information is available. The Code Report consequently becomes a summary of how the organisation complies with the Code, a summary of explanations of any deviations and a reference handbook for a stakeholder seeking information on the organisation.

There are three types of information requirements.

- 1 The requirement that the information should be available in the printed annual report or in a special report (referred to as "the annual report" in the current Code text).
- 2 The requirement that information should be available on the website.
- 3 The requirement that the information should be publicly available. The organisation may then determine the format in which the information should be published and made available.

When the text of the Code does not specify where the documentation or information should be available, the organisation itself may decide whether the information should be made public or not (internally available information). The organisation must subsequently state in the Code Report where the information is available, unless it decides to deviate from the information requirement – in which case this must instead be explained.

The Code Report should be included in the printed annual report or constitute a special report. If it does not form part of the formal annual report documentation, it should be available on the organisation's website.

B. The Code Guidelines

In general, the text appearing in the introductory text in each section of the Code itself (Section B) does not form part of the text of the Code. Consequently, no requirement exists for the reporting of or the justification of any deviations from the text.

1. Overall principles in the Code of Quality

The guiding principles below constitute the common values defined by SFC's member organisations and which form the basis for the work performed within the organisations. Together, these core principles create the credibility and build the confidence that forms the foundation of all fundraising work. These core values permeate the Code of Quality.

The organisation's core values

- 1.1 The organisation's work shall be guided by its vision and values and the mission¹⁰ shall be developed, based on the vision and the values of the organisation. The mission shall be accounted for in the annual report, in which the organisation shall also formulate the manner in which it creates value through its activities.

Respect

- 1.2 The organisation's operations shall be characterised by respect for both donors and beneficiaries, as well as for other stakeholders associated with the operations.

Transparency

- 1.3 The organisation's operations shall be characterised by openness and transparency and stakeholders shall have insight into the organisation's operations.

Quality

- 1.4 The organisation's operations shall be permeated by high quality.

Commitment

- 1.5 The organisation shall inspire people and employ people's will for change. The organisation shall contribute to the creation of arenas for the broad and personal commitment of individuals, organisations and companies.

¹⁰ The word mission is used in this Code as a synonym for the **purpose** of the organisation and refers to **what** the organisation intends to achieve, **for whom and why**.

2. Stakeholders

The organisations actively contribute to societal development. This work requires the organisations to adopt a considered approach towards the surrounding world. These requirements state how the organisation as a whole should relate to stakeholders and, in particular, collaboration partners¹¹, how any dependencies that may arise should be accounted for, and how potential conflicts of interest and the risk of impropriety should be handled.

Stakeholder analysis

- 2.1 Information on actors exercising significant influence on the organisation shall be made publicly available.

Partnerships

- 2.2 The organisation shall develop guidelines for the choice of collaboration partners.
- 2.3 As far as possible, the organisation's annual report shall present an account of all significant collaboration, for example with other civil society organisations, authorities or companies.
- 2.4 As far as possible, the organisation shall ensure that the organisation's collaboration partners comply with the same requirements that the organisation is expected to uphold.

Counteraction of improprieties

- 2.5 The organisation shall develop procedures to counteract improprieties such as fraud and corruption. The organisation shall also develop procedures to enable external and internal stakeholders (including staff) to blow the whistle on suspected improprieties without repercussions.

¹¹ Collaboration partner refers to an individual or organisation that collaborates with the organisation to a significant extent. For example, this may include suppliers, sponsors and major donors as well as organisations or individuals receiving donations from the organisation.

3. Impact

On the basis of its mission, the organisation should work in the most efficient manner possible to achieve its vision. This work is guided by the values that permeate the organisation, and that the mission has been defined on the basis of this vision and these values. Following this, objectives are developed and transformed into activities. The operations are finally evaluated on the basis of the objectives.

Objectives

- 3.1 The organisation shall establish its objectives on the basis of its vision, values and mission. These objectives indicate what the organisation wishes to accomplish in both the long and short terms. These objectives should be put into practice through the organisations' activities.

Impact

- 3.2 The result of the operations shall be evaluated on the basis of objectives.

- 3.3 Impact reporting

Information on objectives, as well as the results that the organisation has achieved through its operations (impact), shall be available on the organisation's website. The organisation shall describe the scope of this reporting.

4. Governance

SFC's member organisations include both associations and foundations. Foundations are regulated by the Foundations Act (1994:1220), which implies that the Code cannot place the same requirements on associations and foundations. Those parts of the Code that address the statutes, the highest decision-making body and appointment of the Board and auditors are therefore divided into two parts. Sections 4.1 – 4.2 apply only to associations and sections 4.3 – 4.4 apply only to foundations. However, sections 4.5 – 4.6, dealing with the Board and senior management, apply to both associations and foundations.

The Code defines what can be said to be good governance of SFC's member organisations. Good governance is a prerequisite for effective operations. This implies that there is a clear division between the strategic and operative functions, making accountability possible. The appointment of the Board, as well as the work of the Board, shall be characterised by structured procedures, openness and democratic decision-making processes, to the greatest extent possible, given the type of entity. The organisation shall be characterised by a democratic method of working, implying that the organisational culture shall allow opportunities for the exertion of influence. In associations, the annual meeting or similar instance forms the highest decision-making body. In foundations, the Board is the highest decision-making body. In certain foundations, however, the statutes of the foundation can be amended so as to allow so-called "principals" to have the possibility to exert some form of influence via a representative assembly or similar body.

Guidelines for associations

4.1 Statutes and the highest decision-making body

4.1.1 Statutes

The association's statutes shall state the procedure for the annual meeting, the areas of responsibility covered by the annual meeting, the level of decision-making authority possessed by the annual meeting and the manner in which the annual meeting may pass resolutions. The statutes shall be available on the association's website.

4.1.2 Highest decision-making body

In associations, the members exercise their influence at an annual meeting or similar instance.¹² In order to create the best possible conditions for active influence from members, the annual meeting shall be held in such a way that as many members as possible can be represented at the annual meeting and that active participation from attending members in discussions and decision-making is facilitated.

4.1.2.1 Notice of annual meeting: When associations give notice of an annual meeting, the web page shall also state the time and place, and the members shall be informed as to the correct procedure with which to raise an issue at the annual meeting.

4.1.2.2 Presence of the Members of the Board and the auditor: A quorum of Board members and at least one of the association's auditors should be present at the annual meeting.

¹² Associations often use different names. In the code, annual meeting is used, referring to the highest decision making body in the association. This also includes similar meetings held every two or three years and using another name.

4.1.2.3 Conduct of the meeting: Conduct should follow generally accepted practice. The chairman of the Board shall not be chairman of the meeting. Verification of the minutes shall not be performed by a Board member or employee of the association.

4.1.2.4 Minutes: The minutes from the most recent annual general meeting and any extraordinary general meetings shall be made available on the association's website.

4.2 Appointment of Board and auditors – Nomination committee

Decisions regarding the appointment of the Board and auditors shall be prepared through a structured and transparent procedure, providing members with the possibility of exerting influence. The nomination committee is the body employed by the non-profit association to prepare the decisions on appointments with the purpose of providing a sound basis for the annual meeting's consideration of these matters.

4.2.1 Appointment of nomination committee: The annual meeting shall appoint the members of the nomination committee or specify how they shall be appointed.

4.2.2 The task of the nomination committee: The nomination committee shall submit proposals to the annual general meeting for resolutions regarding the appointment of Board members and auditors as well as any fees to Board members and the chairman of the Board.

4.2.3 Guiding documents and requirements profiles: The work of the election committee shall be guided by a governance document. As a basis for its proposals, the nomination committee shall

- establish requirements profiles for the new member or members who, according to the Board's assessment, should be recruited
- execute a systematic procedure for the recruitment of directors, with due consideration for members' recommendations
- aim for diversity and gender equality in the Board

4.2.4 Formal obstacles: Formal obstacles such as SFI's regulations shall be taken into consideration during appointment of Board members.

4.2.5 Terms and the possibility of re-election: Information on terms and the possibility of re-election shall be made publicly available.

4.2.6 Information regarding the nomination committee: The names of the nomination committee's members and their contact information shall be made publicly available.

4.2.7 Information regarding the Board: In its annual report, the association shall present the Board members' profiles/competences and present an account of their attendance at Board meetings.

Guidelines for foundations

4.3 The foundation's charter and the highest decision-making body.

4.3.1 The foundation's charter

The foundation's charter shall be made available on the foundation's website.

4.3.2 Highest decision-making body

In foundations, the Board (the trustee) is the highest decision-making body. According to their foundation charters, some foundations have representative assemblies or similar bodies in which, for example, “principals” have the opportunity to exercise a degree of influence. As such a forum does not or cannot normally have any decision-making function regarding managerial issues for the foundation, the issues the representative assembly has a right to decide upon (often nomination issues) and the issues upon which the representative assembly only has an advisory function to the Board must be clearly and publicly stated.

4.3.2.1 The Board: Information regarding the Board’s level of authority as well as information regarding the manner in which the Board reaches decisions shall be made publicly available.

4.3.2.2 Representative assembly: Information shall be made publicly available regarding the existence of any representative assembly, the individuals included in the representative assembly, the manner of appointment of these members and the areas in which the representative assembly is authorised to make decisions. The guidelines for the annual meetings of associations (4.1.2) shall be applied to the greatest extent possible to foundations holding representative meetings.

4.4 Appointment of Board and auditors

The decision regarding appointment of the Board and auditors should, to the greatest extent possible, be reached through a structured and transparent process in which significant stakeholders have the possibility to present their opinions. The nomination committee can serve as the Board’s body for the preparation of decisions in appointment issues with the purpose of creating a sound basis for any treatment of these issues by the representative assembly. However, in certain cases, the foundation’s charter regulates this in detail. In these cases, there should exist a reference to the appropriate part of the foundation’s charter.

4.4.1 Appointment of the Board: Information regarding the manner in which the Board is appointed shall be made publicly available. If the foundation has a representative assembly, the guidelines for appointment of the Board by associations (4.2) and decisions regarding fees to the Board shall be applied to the greatest extent possible.

4.4.2 Appointment of auditors: Information regarding the manner in which auditors are appointed shall be publicly available. If the foundation has a representative assembly, the guidelines for appointment of auditors by associations (4.2) shall be applied to the greatest extent possible.

4.4.3 Nomination committee: If the foundation has a representative assembly, the guidelines for appointment of the nomination committee by associations (4.2) shall be applied to the greatest extent possible.

4.4.4 Requirements profiles: During appointment of Board members, the Board shall, to the greatest extent possible

- establish requirements profiles for the new member or members who, according to the Board’s assessment, should be recruited
- execute a systematic procedure for the recruitment of directors, with due consideration for members’ recommendations
- aim for diversity and gender equality in the Board

4.4.5 Formal obstacles: Formal obstacles such as SFI’s regulations shall be taken into consideration during appointment of Board members.

- 4.4.6 Information regarding the Board: In its annual report, the foundation shall present the Board members' profiles/competences and present an account of their attendance at Board meetings.

Guidelines for both associations and foundations

4.5 The Board

In associations, the Board is the organisation's highest decision-making body between annual meetings. In foundations, the Board is always the highest decision-making body. The Board is responsible for ensuring that the organisation's operations are conducted according to the organisation's vision, values, mission and objectives. The Board is also responsible for ensuring the adequacy of internal controls and for ensuring that operations are conducted in an effective manner.

The Board should be renewed at an appropriate pace, taking into consideration the development of the organisation's operations.

Board members have administrative positions in relation to the organisation. This means that members are obliged to devote the time and care necessary for the mission and to possess the knowledge required to best manage the interests of the organisation and its stakeholders. The chairman of the board has an exceptional position within the Board with a specific responsibility for that the Board's work is well organised and conducted efficiently as well as that the Board fulfil its duties.

4.5.1 Rules of Procedure for the Board of Directors

- 4.5.1.1 Rules of procedure and committees: The Board shall prepare internal, written rules of procedure for its activities and have guidelines covering the authority and responsibilities to be delegated to any committees. Board members other than employee representatives shall not be employed in the organisation but may, in exceptional cases, take on duties for the organisation in addition to their duties as member of the Board. Should this occur on a regular basis, the division of duties shall be stated clearly in the Board's rules of procedure and in the Board's instructions to the chief executive. Temporary duties shall be confirmed through a decision by the Board.
- 4.5.1.2 The obligations of the chairman of the Board: The chairman's responsibilities shall be stated in the Board's rules of procedure.
- 4.5.1.3 The obligations of the Board members: The Board members' responsibilities shall be stated in the Board's rules of procedure.
- 4.5.1.4 The Board members' personal responsibilities: Board members shall be aware of the personal responsibilities that the directorship entails. This shall be stated in the Board's rules of procedure.
- 4.5.1.5 Conflicts of interest and independence: The Board's rules of procedure shall include a policy or guidelines on how conflicts of interest and the independence of the Board members shall be managed.
- 4.5.1.6 Appointment and evaluation of the chief executive: The rules of procedure shall state that the Board shall appoint the chief executive and annually evaluate the chief executive's work.

4.1.1.7 Minutes: The rules of procedure shall contain guidelines on keeping minutes at Board meetings.

4.5.1.8 Evaluation of the work of the Board: The rules of procedure shall contain guidelines on an annual evaluation of the work of the Board.

4.5.2 Remuneration to the Board

Disclosures regarding any fees or other remuneration for Board members shall be publicly available and shall include reimbursement for any duties in the organisation beyond Board duties.

4.5.3 Reporting by the Board

The Board is ultimately responsible for reporting to stakeholders. This includes assuming responsibility for financial reporting and impact reporting.

4.5.3.1 Impact reporting: The Board shall be responsible for the reporting by the organisation of objectives and the result achieved by the organisation through its operations (impact).

4.5.3.2 Financial reporting: The Board shall ensure that annual reports are prepared in accordance with legislation, SFC's template for annual report, other accounting standards and other requirements. The financial reports shall indicate the parts of them that have been the object of external audit.

4.5.4 Internal controls

"Internal controls" refers to all guidelines and procedures introduced by management in order to achieve the target of ensuring, to the greatest extent possible, that operations are being managed well and effectively. This includes procedures for ensuring that the guidelines adopted by management are being complied with, that assets are being protected, that improper actions and errors are being prevented and discovered, that accounting is correct and complete and that reliable financial information is being prepared on time.¹³

4.5.4.1 Review of internal controls: The Board shall determine and regularly assess the organisation's internal controls and thereby ensure that internal controls are functioning effectively.

4.5.4.2 Report on internal controls: The Board shall present an annual report on how the internal control is organised in the Code Report.

4.5.5 Accounting and auditing matters

The Board is responsible for ensuring that the organisation has a formalised and transparent system which ensures that the established principles of financial reporting are being complied with, as well as ensuring that an appropriate relationship with the organisation's auditors is maintained.

4.5.5.1 Quality: The Board shall internally document the manner in which the quality of financial reporting is assured and the manner in which the Board communicates with the organisation's auditor.

¹³ This definition is derived from Accounting Standard 400. For more information, see FAR's Collected Volume 2006, Part 2.

4.5.5.2 Auditing as a tool for responsibility in all links in the chain: The Board is responsible for ensuring that the organisation's grants are used as intended in possible subsequent links in the chain. In exceptional cases, the organisation can replace an audited report with other follow-up structures to ensure that grants are used as intended.

4.5.6 The Board's other duties

4.5.6.1 Guidelines for financing, capital investment, saving and level of equity: The Board shall ensure that the organisation has guidelines or a policy document stating the manner in which the operations shall be financed and the manner in which the organisation's capital shall be invested. The organisations shall observe the guidelines stated in SFC's Guidelines regarding Savings and SFC's Guidelines regarding Investment Policy.

4.5.6.2 Risk analysis: The Board shall ensure that the organisation has a risk management strategy and shall regularly perform a risk analysis and assess the organisation's risk management.

4.5.6.3 SFC's Code of Quality: It is the Board's responsibility to ensure that SFC's Code of Quality is put into practice, that is, to ensure that the guidelines are complied with or that deviations are explained.

4.6 Senior management

4.6.1 The chief executive's¹⁴ duties

The chief executive shall manage day-to-day administration according to the Board's guidelines and directions as specified in the instructions to the chief executive. The chief executive also has a specific role in the Board's work. This includes, among other things, reporting to the Board regarding the organisation's development and presenting and making proposals regarding issues prepared by management, as well as providing the Board with the information as groundwork for its work.

4.6.1.1 Operational instruction issued by the Board of Directors to the chief executive: In its operational instruction to the chief executive, the Board shall clearly define the chief executive's duties and areas of responsibility. In addition, the Board shall provide guidelines and directives to the chief executive regarding day-to-day administration.

4.6.1.2 Assignment of responsibilities between the Board and the chief executive: The delegation of duties between the Board and the chief executive shall be stated in the rules of procedure and in the operational instruction to the chief executive. The chief executive shall handle the day-to-day administration of the organisation in accordance with the Board's guidelines and directions.

4.6.1.3 The chief executive's role in the Board's work: The chief executive shall ensure that the Board obtains all the information necessary to make substantiated decisions and stay informed between Board meetings regarding the development of the organisation's operations.

¹⁴ The term chief executive applies to the senior official, who accordingly constitutes, for example, the organisation's designated head of operations, chief executive officer, executive or head of division, in those cases in which this is the senior official.

4.6.2 Senior management remuneration

The Board is responsible for ensuring that the organisation has a formalised and transparent process for establishing principles for remuneration and other terms of employment for executives. This procedure shall be formulated in accordance with a policy or guidelines adopted by the Board for executive remuneration and terms of employment. The Board shall decide upon remuneration and terms of employment for the chief executive.

4.6.2.1 Policy or guidelines regarding senior management remuneration: The Board shall determine a policy or set of guidelines concerning remuneration and terms of employment for executives. Information on the policy/guidelines for remuneration and terms of employment for executives shall be made publicly available. This information shall state:

- the members of senior management covered by the terms
- the relative importance of fixed and variable components of the remuneration and the linkage between performance and remuneration
- the principal terms of non-monetary benefits, pension, notice of termination and severance pay

4.6.2.2 Remuneration to executives: Information on executive salaries and other remuneration shall be presented in the annual report. Any other external remuneration received for duties on the basis of primary employment is also included here.

5. Fundraising

The raising of funds from the general public for charitable purposes is called fundraising in this document. Fundraising for charitable purposes also applies to the collection of used clothes and objects and other products and services. In Sweden, both sales of goods and lotteries are held for charitable purposes. In this Code, the term fundraising generally refers to the raising of funds in Sweden by the civil society organisations within SFC among the general public and companies for the benefit of charitable purposes within or outside of Sweden. However, the Code also applies to other forms of fundraising carried out by organisations, for example the collection of clothes and the holding of lotteries or gaming.

No legislation exists in Sweden specifically regulating the manner in which public fundraising should be carried out. Neither are there any restrictions regarding who may raise such funds or for which objectives. However, there are regulations such as the Marketing Act (1995:450), the Personal Data Act (1998:204) and the Lottery Act (1994:1000) which govern the manner in which the work of these organisations is conducted.

90 giro accounts

- 5.1 SFC's member organisations shall hold a controlled fundraising giro account issued by the SFI (Swedish Foundation for Fundraising Control) and shall comply with the rules and regulations applicable to such an account. The account number shall be stated in the annual report. In cases in which the organisation comprises of a national association or the equivalent and a number of local organisations, it is sufficient that the national association holds a 90 giro account. In fundraising in which a number of organisations are beneficiaries, all participating organisations shall have 90 giro accounts and all shall be members of SFC.

Policy/guidelines for fundraising

- 5.2 Each member organisation shall have a fundraising policy or set of guidelines governing its fundraising work. The policy/guidelines shall include a description of the organisation's different methods of fundraising, as well as a description of the manner in which donations are handled.

Confidence

- 5.3 Fundraising shall be carried out in a confidence-building manner. Information relating to fundraising shall be factual and correct.

The organisation's responsibilities

- 5.4 The organisation shall be able to describe, explain and justify its actions. Each organisation shall have procedures for the management of inquiries and complaints.

Fundraising objectives

- 5.5 The objectives of the fundraising shall be clearly presented.

Reporting

- 5.6 The organisation shall report on the use of raised funds in a clear manner.

Expenses

- 5.7 The organisation shall be able to clearly account for all expenses in its operations and for the amount of such expenses attributable to the fundraising objectives. The organisation shall have reasonable expenses and comply with SFC's definitions of operational income and expenses.

Respect for the donor

- 5.8 A donation is, by definition, always voluntary. The organisation shall respect the donor's integrity.

Donations for specific purposes

- 5.9 Every donation given for a specific purpose shall only be used for that specific purpose. If this is not possible, the donor shall be informed.

Refunds of donations

- 5.10 If a donor, within a reasonable period of time, requests the refund of a donation or recalls the promise of a donation, this shall be respected to the greatest extent possible. If a fundraising organisation receives a donation that is clearly intended for another receiver, the donation shall be immediately transferred to the other receiver. In doubtful cases, the donor shall be contacted in order to establish the intended receiver of the donation.

Declining donations

- 5.11 The organisation has the right to decline donations or proposals for cooperation which do not correspond with the values or method of work of the organisation.

Images and text in fundraising

- 5.12 If an image or textual material is used in fundraising and this material cannot be related to the actual circumstances described and included within the objective of the fundraising, the organisation must clearly state this fact. Individuals in images and text shall be depicted in a dignified manner by the organisation and its partners. If possible, permission to use the image shall be obtained from the individual depicted. Extra consideration shall be shown with regard to minors and vulnerable individuals.

Minors in fundraising work

- 5.13 The organisation shall consider taking special measures when minors participate in fundraising work. No fundraising campaign shall be directly aimed at children under the age of 16.

Marketing

- 5.14 The fundraising organisation shall not utilise wording claiming that no administration or fundraising expenses have arisen in the fundraising, thereby giving the impression that the fundraising takes place free of charge. This implies that it is not compatible with this Code to make such statements as “your entire contribution goes to its intended purpose”, “every penny reaches its target” or issue any form of donation guarantee indicating that donations in their entirety will go to the intended purpose.

A first request for a donation may not be made in the form of an invoice. Goods may not be sent with invoices or paying-in forms to an individual that has not ordered the goods. The latter also applies even if the receiver has been informed that the gift is voluntary and that the goods may be discarded or returned if the receiver does not wish to keep them.

When goods are sold to the public by an external company or other external party with the information that an amount will go to the organisation’s operations or a certain project, the size of the amount accruing to the organisation or special objective shall be stated.

In normal cases, the fundraising organisation shall not disclose or sell the donor’s name to another organisation or company. Should this happen, the donor shall be informed in advance and be given the opportunity to be excluded.

In third-party fundraising, for example, via fundraising portals on the Internet, the donor shall be informed of whether the third party saves details of names and addresses and of whether the fundraising organisations involved have access to this information.

Management and disposal of donations in the form of real estate

- 5.15 Each member organisation shall adopt its own guidelines for the management and disposal of donations in the form of fixed property, tenant-owner’s rights, securities, personal property etc.

6. Human Resources (employees and volunteers)

Competent and committed employees and volunteers are a prerequisite for the effective operation of an organisation. The staff is expected to act in accordance with the organisation's vision, values, mission and objectives. The organisation is responsible for creating a good working environment, performing regular evaluations and allowing the possibility for the development of skills. The organisation should ensure that labour law and other regulations (above all, those of the Swedish Work Environment Authority) are applied to both employed and voluntary staff. The organisation should have a considered approach regarding its volunteers and be aware of the boundary between volunteers and employees. Only certain sections of the working environment legislation apply to volunteers, meaning that the Board must take decisions regarding other important matters such as insurance and certain ethical issues.

- 6.1 Personnel policy or guidelines: The organisation shall have a personnel policy or guidelines. These can cover terms of employment, working hours, gender equality plans etc. If the organisation has employees working outside Sweden, special terms should also be developed in regards to them. The organisation should have a policy or guidelines on how potential conflicts of interest are identified and dealt with. Policies or guidelines for the setting of salaries, based on the organisation's vision, values, mission and objectives, should be prepared with the aim of facilitating the employees' understanding of what is particularly valued by the organisation. The organisation should be able to publicly account for its remuneration policy, including whether commission-based remuneration is used in the organisation.
- 6.2 Code of conduct: The organisation should develop a code of conduct based on the organisation's vision, values, mission and objectives. The document should describe the organisation's expectations regarding both employees and volunteers as representatives of the organisation.
- 6.3 Volunteers: The organisation should prepare a clear definition of the role played by its volunteers, stating the differences between volunteers and employees. Volunteers should receive an appropriate introduction to the organisation and should familiarise themselves with the code of conduct.
- 6.4 Respect for labour rights: Members of staff have the right to be dealt with on an equal and respectful basis, and their basic human rights should be respected and defended. Leadership should be exercised professionally. Responsibility and authority should be concomitant.
- 6.5 The development of skills: In order to develop operations, the skills of workers must match the objectives and vision of the organisation. The organisation should therefore ensure that its staff receives the possibility for regular development of skills. The organisation should also, if deemed, provide special training for its volunteers.
- 6.6 Evaluation: The performance of the employees should be evaluated regularly via discussions on career development, for example. In doing so, the employer should systematically assess its employees' contributions in light of the operation's vision, mission and objectives.

7. Reporting and information

High quality and easy availability of the organisation's reporting are prerequisites for maintaining stakeholder confidence in the organisation. Reporting should not only be restricted to a statement of the organisation's financial position, but should also include an easily understandable account of the impact attained by the organisation via its operations. In addition, the reporting should include a description of how governance is exercised within the organisation and a report of how the Code's guidelines are complied with.

Availability should correspond with stakeholders' requirements.

Organisations are consequently requested to describe in which parts the organisation complies with the Code of Quality and in which respects the organisation deviates from the Code's guidelines. In those cases in which the organisation deviates, the reason should be explained. Well-justified deviations from the guidelines do not, in themselves, mean that the organisation does not meet the requirements of best practice. Nor do such deviations indicate that the organisation's morals should be questioned. In this context, the requirements for accounting, openness and transparency supercede the requirement to comply with all guidelines.

Contents

7.1 Code Report:

The organisation shall prepare a report (Code Report) in which it provides an account of the manner in which the SFC's Code of Quality is applied by the organisation. This Code Report shall either be included in the published annual report or be issued as a special report, although it does not form part of the formal annual report. It shall also be made available on the organisation's website.

The two ways to structure a Code Report are detailed below. In both cases, the report shall also contain a description of how internal controls are organised. If the organisation belongs to an international or national body, it shall also clearly state which part of the organisation applies the Code.

The Code Report shall be signed by the chief executive and the Board. The report shall state whether it has been reviewed by the organisation's auditor, which in itself is not a requirement. The organisation's administration report shall state that the Code Report for the latest financial year has been prepared.

Alternative 1:

An overall description, in running text, of how the Code of Quality has been applied during the latest financial year. This can follow the Code's headlines and sections, although this is not a requirement. The guidelines that the organisation has deviated from shall be clearly stated and the reason for each deviation shall be clearly explained.

Alternative 2:

An account of how the Code has been applied during the latest financial year, in accordance with the standardised accounting format in Appendix 2. Those guidelines that the organisation has deviated from shall be clearly stated and the reason for each deviation shall be clearly explained.

7.2 Financial reporting: The organisation shall comply with SFC's template for annual report in its financial reporting. The annual report shall be available on the organisation's website.

Availability

7.3 Annual reports or special reports: The Code repeatedly states that certain information shall be published in the annual report. This means that the information shall either be included in the published annual report or a special report shall be prepared, although the information does not constitute a part of the formal annual report document. Regardless of the form of publication, this information shall always be made available on the organisation's website.

7.4 The website: The Code's guidelines continuously state which information shall be made available on the organisation's website.

7.5 Information that shall be made publicly available: If information is not made available in the annual report, in a special report or on the organisation's website, it shall be made publicly available in another manner. The Code's guidelines have continuously identified which information is required and how this shall be presented.

Auditing

7.6 At least one of the organisation's auditors shall be an authorised public accountant or an approved public accountant who has passed an examination of professional competence¹⁵.

7.7 In addition to statutory requirements, auditors shall also state, in the audit report, whether there are any indications that the organisation has not fulfilled its duty to:

- 1 make tax deductions according to the Swedish Tax Payment Act (1997:483).
- 2 register itself according to the Swedish Tax Payment Act, 3:2.
- 3 file tax returns according to the Swedish Tax Payment Act, 10:9, 10:9a and 10:10.
- 4 pay taxes and fees covered by the Swedish Tax Payment Act, 1:1 and 1:2, within the stipulated time.
- 5 submit a Code Report on application of the Code.

The organisation shall inform its auditors of this responsibility as auditor.

¹⁵ Accordingly, the auditor fulfils the requirements of the Swedish Auditors Act (2001:883) and the audit is conducted in accordance with the Swedish Auditing Act (1999:1079)

C. Updating and control of application of the Code

Follow-up of the Code constitutes two central principles: updating and control of application of the Code. The Code should constitute a means of support for SFC members and should, therefore, be regularly updated and adapted to reflect comments and opinions from both external and internal stakeholders. In order for the Code to contribute to increased confidence in the organisations, application of the Code must be monitored and followed up.

Updating

A working group within SFC, with a composition similar to that of the Code's task force, will be responsible for updating the Code. The group is appointed by SFC. Consultation will take place with Öhrlings PricewaterhouseCoopers, who will be represented in the group. The Code will be updated annually on the basis of comments and opinions received from internal and external stakeholders. In addition, an extensive revision will take place after a longer period (for example, three years).

Control of application

In accordance with section 7.1, the Code Report, in which the organisation accounts for its compliance with the Code and explains any deviations, is signed by the chief executive and the Board. However, the Code Report does not have to be audited by the respective organisation's auditor. The organisation's administration report should state that the Code Report for the last financial year has been prepared. If this has not occurred, the organisation's auditor should call attention to this in his/her audit report.

Appendix 1: Examples

2.2 Examples of the guidelines for selecting collaboration partners

- Before each new contract, agreement and partnership, all potential conflicts of interest should be avoided. If a conflict of interest is unavoidable, the situation should be openly reported internally as well as externally, as required.
- Before each new contract, agreement and partnership, the organisation should, to the greatest extent possible, make sure that the collaborative work will not jeopardise stakeholder trust and confidence in the organisation.

2.4 Examples of how the organisation can ensure that collaboration partners fulfil the same demands as are placed on the organisation

Suppliers

Fundraising organisation D's contracts with its subcontractors requires that a clause be included, in which the contractor states that it accepts the fundraising organisation's ethical values and in which the contractor undertakes to comply with these values. The fundraising organisation conducts follow-ups and spot checks to monitor that this clause is being complied with.

3.3 and 3.4 Examples of ways of measuring impact and efficiency

a) Logical Framework Approach (LFA)

The Swedish International Development Cooperation Agency (Sida) and organisations receiving grants from Sida employ the LFA as a tool for accounting for the results of operations. LFA is primarily a planning tool for projects, but also enables structured operational follow-ups.

According to the LFA model, the organisation should first define what it considers to be the principal problem and thereafter analyse the measures necessary to solve the problem. The solution to the problem forms the overall objective, which is then broken down into tangible strategies and action plans. From these action plans, the project objective, result objective and appropriate activities can be defined.

It subsequently becomes possible to report the results of operations by following-up the indicators on the basis of an LFA matrix.

Target level	Indicator	Verification source	Assumption
Overall objective	Indicator for the attainment of the overall objective	Information source for indicator of whether the overall objective has been attained	What would be required for a fulfilled project objective to contribute to the attainment of the overall objective
Project objective	Indicator for the attainment of the project objective	Information required to verify that the project objective has been attained	What would be required for the results of a successful project to contribute to the attainment of the project objective
Result	Indicator for the attainment of the result	Information required to verify that the activities have produced the expected results	What would be required for the activities to generate the expected results
Activities	Resources required to carry out the activities		What would be required for the resources to result in activities

b) Impact reports

Impact reports are documents in which the organisation provides an account of the results achieved during the year, and relates these results to the organisation's established objectives. The account can be supplemented with an evaluation in relation to expected results, according to the model presented below.

Objective	Fulfilled	Partly fulfilled	Not fulfilled
Use impact reports to account for results			X (work begun)
Increase contributions to research by 5%	X		
Increase the number of contributions received via direct debit by 10%	X		
Establish seven new local associations		X	

4.2.3 Guidelines for the preparation of a governance document for the nomination committee

This governance document should state, amongst other things, that the nomination committee's work should be characterised by a systematic procedure in which the association's members are given the possibility to influence the composition of the Board.

4.2.7 and 4.4.6 Examples of what the Board members' profile and skills might include:

- Current place of work (title and organisation)
- Educational background
- Work experience
- Other information significant to the work of the Board

4.5.1.2 Examples of the chairman of the Board's responsibilities in accordance with the Board's rules of procedure can include the following:

- organising and leading the work of the Board and thereby creating conditions allowing the work of the Board to run efficiently
- contributing to the Board members' understanding of the content of the assignment and ensuring that the members fulfil their commitments
- encouraging an open and constructive discussion within the Board in which all members participate and creating the best possible conditions for the work of the Board
- ensuring that the Board continuously updates and deepens its knowledge of the organisation and its operations and, in general, receives the training required for the efficient conduct of the work of the Board
- ensuring that the members' personal commitment in the organisation's operations is sustained
- receiving viewpoints from stakeholders and conveying them to the Board
- maintaining continuous contact with the organisation's chief executive so as to function as a sounding board and provide support
- ensuring that the Board receives sufficient information to allow it to make decisions in its work
- following consultation with the chief executive, establishing proposed agendas for Board meetings
- ensuring that the Board's decisions are carried out efficiently
- ensuring that the Board's work is evaluated annually and that the nomination committee is informed of the result of the evaluation

4.5.1.3 Examples of the Board members' responsibilities according to the Board's rules of procedure can include the following:

- The Board members should independently assess the issues to be managed by the Board and present the opinions and standpoints caused by these. In addition, they should request the supplementary information and acquire the knowledge that the Board members deems necessary for the Board to reach a well-founded decision.

4.5.1.5 Examples of how conflicts of interest can be handled in the Board's formal working plan

The Board members and the chairman of the Board are obligated to account for situations involving conflicts of interest (situations in which Board members, the chairman of the Board or immediate family (i.e. people considered to be close relations or family) have a significant interest that could conflict with that of the organisation). The Board members and the chairman of the Board are obligated to refrain from dealing with issues, participating in decisions or representing the organisation in matters in which a conflict of interest exists.

4.5.1.8 Examples of how the Board can be evaluated

- **Objective:** The objective is primarily to improve the Board's internal work, but the evaluation can also form a basis for the nomination committee's requirement profiles during the election or re-election of Board members
- **Method of approach:** The evaluation can be performed either internally or externally. In both cases, the evaluation entails that the Board sets aside time to reflect on its work during the past year and to evaluate the degree to which the Board has fulfilled its commitments. In an internal evaluation, individual members are evaluated by the chairman of the Board and/or other members in writing or verbally. The chairman of the Board is evaluated by other members and/or the Board as a whole.
- **After evaluation:** The evaluation is supplemented with an action plan to rectify deviations and can be used by the nomination committee in its work.

4.5.4 Internal controls

A good system for internal control reduces the organisation's risks. At the same time, the organisation's work with internal control should focus on reducing and eliminating the organisation's significant risks so that the organisation's resources are used efficiently. We base our discussion on internal control on the definition that COSO (Committee of Sponsoring Organisations of the Treadway Commission) has presented¹⁶.

Internal controls is a process through which the organisation's Board, management and other employees, with a reasonable degree of certainty, can ensure that the following targets are achieved:

- *appropriateness and efficiency of the operations including the protection of assets*
- *reliability of the financial reporting*
- *observance of applicable laws and directives and internal regulations*¹⁷

Unlike the Swedish Code of Corporate Governance, internal controls within SFC's Code of Quality refer not only to internal controls regarding financial reporting but also consider those aspects relating to the operations' appropriateness.

According to the COSO definition, internal control is comprised of five parts

1. Control environment

The control environment is made up of factors that "set the tone" in the organisation. Examples of parts of the control environment are:

- integrity and ethical values,
- the Board's role and significance,
- the management's philosophy and method of work,
- organisational structure,
- authorities and responsibilities
- policies, guidelines and instructions.

The control environment can be strong even if it is not formalised, which can be the case in smaller organisations, for example.

¹⁶ www.coso.org

¹⁷ Guidelines for the Swedish Code of Corporate Governance. The Board's report on internal control regarding financial reporting (p. 6)

2. Risk assessment

Risk assessment means that internal and external risks are identified and assessed with regards to the aims of the operations. These risks can be of different kinds:

- operational risks
- financial risks
- risks regarding compliance with regulations.

Even in smaller organisations, where the risk analysis process is informal and less structured, the risk of failure to fulfil organisational objectives must be assessed.

3. Control activities

Control activities can be either general or more detailed. Their purpose is to manage significant risks regarding the aims of the operations. For SFC, the control activities refer to financial reporting as well as the operations' purpose.

Control activities must be appropriately constructed in order to face significant risks. The control activities can be of a preventive or exploratory nature, manual or automated. They also need to be reasonably documented.

A good division of responsibility and work implies, for example, that no individual should be able to handle transactions in all instances by him/herself.

Control targets and control activities can include¹⁸

- policies, manuals, guidelines and codes
- work descriptions (e.g., checklists and monthly accounts)
- process descriptions (controls made: how, why, when, by whom?)
- systems documentation
- special control documentation
- authorisation

4. Information and communication

A good information system and well-functioning IT solutions are furthermore required in order to allow the information required to govern and control the organisation to be identified, registered, processed and communicated in the correct manner and in the right time. The systems refer both to the spread of information and reporting of the compliance of the organisation's policies and control activities¹⁹

5. Surveillance and follow-up

The processes for internal control should be regularly evaluated, i.e. reviewed and followed up, to ensure quality in the process. Furthermore, it is important that identified deviations or insufficiencies are established and dealt with in order for the follow up to be effective.

¹⁸ Öhrlings PricewaterhouseCoopers. The Board's report on internal control according to the Swedish Code of Corporate Governance – a possible work model. (p. 9)

¹⁹ Öhrlings PricewaterhouseCoopers. The Board's report on internal control according to the Swedish Code of Corporate Governance – a possible work model. (p. 4)

4.5.5.2 Examples of what responsibility in all subsequent links in the chain implies

Responsibility in all subsequent links in the chain for a non-profit organisation implies that organisations that receive donations from the organisation should provide reliable, audited reports and descriptive reports to account for the use of the donations. If the organisation negotiates further donations, this should also be documented in audited reports.

In a research organisation, responsibility in all subsequent links in the chain implies that the organisation should be able to ensure that the research donations are used for the intended research.

In a handicap organisation that grants donations to individuals, responsibility in all subsequent links in the chain implies that the donations are followed up with accounting of receipts and/or descriptive reports.

In organisations belonging to federations and/or alliances, responsibility in all subsequent links in the chain can imply that structures are developed to allow the organisation to control the manner in which donations are used.

5.2 Policies/guidelines for fundraising

The organisation should have a fundraising policy for its work with fundraising. The organisation itself chooses what this policy should include. Normally, the policy is an internal work tool. Points to be covered can include:

- the role and position of fundraising in the organisation
- how fundraising is planned, budgeted, implemented and followed up as well as time planning
- the interplay between the organisation's different fundraising units and which units will take a share of the results.
- the approach the organisation takes to issues of integrity (for example, social security numbers, anonymity, barriers to further contact, Personal data, NIX-bar register)
- other ethical guidelines relevant to the organisation (for example, receipt of donations from the government, companies, gaming and lotteries)
- the issue of transparency and insight into fundraising work
- rules covering the use of the organisation's name and logo by external parties
- the organisation's own sponsorship policy (with whom can we collaborate?)
- requirements for suppliers
- rules covering the manner in which the organisation may seek donations from others (for example, *Radiohjälpen*, funds, foundations, the EU)
- rules for street collections and cash handling

Guidelines

SFC currently has four Guidelines documents that can be downloaded from www.frii.se:

- Guidelines regarding investment policy
- Guidelines regarding face-to-face fundraising
- Guidelines regarding savings
- Guidelines regarding telephone fundraising

Appendix 2: Code Report template, SFC's Code of Quality (according to alternative 2, p 7.1)

Code template

Assistance information (not for publishing)

1. Overall principles in SFC's Code of Quality

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>
1.1 The organisation's core values				
1.2 Respect				
1.3 Openness				
1.4 Quality				
1.5 Commitment				

Information/Documentation requirement (info/doc req) according to Code of Quality
 In "annual report" and on website
 No particular info/doc req
 No particular info/doc req
 No particular info/doc req
 No particular info/doc req

2. Stakeholders

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>
2.1 Stakeholder analysis				
2.2 Partnerships				
2.3 Significant collaboration partners				
2.4 Requirements for collaboration partners				

Information/Documentation requirement according to Code of Quality
 Publicly available information
 Internally available documentation
 In "annual report" and on website
 Internally available documentation

2. Stakeholders

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
2.5 Counteraction of improprieties					Internally available documentation

3. Impact

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
3.1 Objectives					No particular info/doc req
3.2 Impact					No particular info/doc req
3.3 Impact reporting					Published on webpage

4. Governance

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
Guidelines for associations					
4.1 Statutes and the highest decision-making body					
4.1.1 Statutes					Published on webpage
4.1.2 Highest decision-making body					
4.1.2.1 Notice of annual general meeting					Published on webpage
4.1.2.2 Presence of Board members and auditors					No particular info/doc req

4. Governance

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
4.1.2.3 Conduct of the meeting					No particular info/doc req
4.1.2.4 Minutes					Published on webpage
4.2 Appointment of Board and auditors – nomination committee					
4.2.1 Appointment of nomination committee					No particular info/doc req
4.2.2 The aim of the nomination committee					No particular info/doc req
4.2.3 Governance documents and requirements profiles					Internally available documentation
4.2.4 Formal obstacles as member of the Board					Internally available documentation
4.2.5 Terms and the possibility of re-election					Publicly available information
4.2.6 Information regarding the nomination committee					Publicly available information
4.2.7 Information regarding the Board					In “annual report” and on website
Guidelines for foundations					
4.3 The foundation’s charter and the highest decision-making body					
4.3.1 The foundation’s charter					Published on webpage
4.3.2 Highest decision-making body					

4. Governance

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
4.3.2.1 The Board					Publicly available information
4.3.2.2 Representative assembly (when appropriate)					Publicly available information
4.4 Appointment of Board and auditors (or nomination committee)					
4.4.1 Appointment of the Board					Publicly available information (see 4.2 when appropriate)
4.4.2 Appointment of auditors					Publicly available information
4.4.3 Nomination committee (when applicable)					No particular info/doc req (but see 4.2)
4.4.4 Requirements profiles					Internally available documentation
4.4.5 Formal obstacles as member of the Board					Internally available documentation
4.4.6 Information regarding the Board					In "annual report" and on website
Guidelines for both associations and foundations					
4.5 The Board					
4.5.1 Rules of procedure for the Board					
4.5.1.1 Rules of procedure and committees					Internally available documentation
4.5.1.2 The obligations of the chairman of the Board					Internally available documentation

4. Governance

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
4.5.1.3 The obligations of the Board members					Internally available documentation
4.5.1.4 The Board members' personal responsibilities					Internally available documentation
4.5.1.5 Conflicts of interest and independence					Internally available documentation
4.5.1.6 Appointment and evaluation of the chief executive					Internally available documentation
4.5.1.7 Minutes					Internally available documentation
4.5.1.8 Evaluation of the work of the Board					Internally available documentation
4.5.2 Remuneration to the Board					
4.5.2.1 Publicity					Publicly available information
4.5.3 Reporting by the Board					
4.5.3.1 Impact reporting					Internally available documentation
4.5.3.2 Financial reporting					In annual report and on website
4.5.4 Internal controls					
4.5.4.1 Review of internal controls					Internally available documentation
4.5.4.2 Report on internal controls					In "annual report" and on website (part of Code Report)

4. Governance

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
4.5.5 Work on accounting and auditing matters					
4.5.5.1 Quality					Internally available documentation
4.5.5.2 Auditing as a tool for responsibility in all links in the chain (when applicable)					Internally available documentation
4.5.6 The Board's other duties					
4.5.6.1 Guidelines for financing etc, according to SFC's Guidelines					Internally available documentation
4.5.6.2 Risk analysis					Internally available documentation
4.5.6.3 SFC's Code of Quality					In "annual report" and on website (part of Code Report)
4.6 Executives					
4.6.1 The chief executive's duties					
4.6.1.1 Instructions to the chief executive					Internally available documentation
4.6.1.2 Delegation of duties between the Board and the chief executive					Internally available documentation (see 4.6.1)
4.6.1.3 The chief executive's role in the Board's work					No particular info/doc req (but see 4.6.1)
4.6.2 Remuneration to executives					

4. Governance

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
4.6.2.1 Policy or guidelines regarding remuneration to executives					Publicly available documentation
4.6.2.2 Remuneration to executives					In annual report

5. Fundraising

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
5.1 90 giro accounts					In "annual report" and on website
5.2 Policies/guidelines for fundraising					Internally available documentation
5.3 Confidence					Internally available documentation
5.4 The organisation's responsibilities					Internally available documentation
5.5 Fundraising objectives					Publicly available information
5.6 Reporting					Publicly available information
5.7 Expenses					Publicly available information
5.8 Respect for the donor					Internally available documentation
5.9 Donations for specific purposes					Internally available documentation

5. Fundraising

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
5.10 Refunds of donations					Internally available documentation
5.11 Declining donations					Internally available documentation
5.12 Images and text in fundraising					Internally available documentation
5.13 Minors in fundraising work					Internally available documentation
5.14 Marketing					Internally available documentation
5.15 Management and disposal of donations in the form of real property					Internally available documentation

6. Human resources (employees and volunteers)

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
6.1 Personnel policy or guidelines					Internally available documentation but to a certain extent publicly available information
6.2 Code of conduct					Internally available documentation
6.3 Volunteers					Internally available documentation
6.4 Respect for labour rights					Internally available documentation
6.5 The development of skills					Internally available documentation

6. Human resources (employees and volunteers)

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
6.6 Evaluation					Internally available documentation

7. Reporting and information

	<i>Complies</i>	<i>Does not comply</i>	<i>Explanation</i>	<i>Where information is available</i>	<i>Information/Documentation requirement according to Code of Quality</i>
7.1 Code Report					In "annual report" and on website
7.2 Financial reporting – annual report					Published on webpage
7.3 Annual reports or special reports					Published on webpage
7.4 The website					Special requirements for organisations website
7.5 Information that shall be made publicly available					Publicly available information
Auditing					
7.6 Authorised or approved public accountant					In annual report
7.7 Increased audit responsibility					Internally available documentation

Appendix 3: Checklist – the Code’s guidelines in summary

This checklist outlines the Code’s guidelines in point form. The intention is that the list should function as a support for SFC’s members to quickly understand what the Code means for the organisation. The checklist can also be used by others who wish to gain general information on what the Code means. The headlines in the checklist mirror exactly the headlines appearing in the complete version of the Code document. For individuals working with the Code, we recommend that the complete text be referred to in order to gain increased clarity and coherence.

1. Overall principles in SFC’s Code of Quality

The organisation should

- identify visions and values and, based on these visions and values, identify its purpose (annual report)
- formulate how the organisation creates value through its operations (annual report)
- the organisation’s operations should be pervaded by SFC’s core values (respect, transparency, quality and commitment)

2. Stakeholders

The organisation should

- account for players with significant interest in the organisation (publicly available information),
- compile guidelines for the selection of collaborative partners,
- where possible, account for all significant collaborative work (annual report)
- as far as is possible, ensure that the organisation’s collaboration partners fulfil the same demands as those held by the organisation,
- compile procedures and rules for blowing the whistle on such improprieties as fraud and corruption,
- compile procedures and regulations enabling external and internal stakeholders (including staff) to detect suspected improprieties without negative repercussions.

3. Impact

The organisation should

- select its objectives based on its vision, values and purpose
- evaluate the result of its operations based on objectives,
- compile information on objectives and the results that the organisation, through its operations, has achieved (impact) on the website. The organisation should describe the limitations of such accounting.

4. Governance

There are two principal forms of organisation among SFC's members: the non-profit association and the foundation. In this chapter, we have chosen to provide guidelines for each of the forms of organisation as they differ to a large degree. The guidelines for non-profit associations are stated first, followed by the guidelines for foundations. Finally the guidelines common to both associations and foundations are stated.

Guidelines for non-profit associations

- Statutes: shall include information on the manner in which the annual general meeting is carried out; which areas of responsibility are included in the annual general meeting; the resolution passing powers held by the annual general meeting and the manner in which the annual general meeting passes resolutions (website)

- Annual general meeting:
 - Notice: to state time, place and how members can raise issues (website)
 - Board members and at least one of the organisation's auditors should be present at the annual general meeting.
 - The chairman of the Board should not be the chairman of the meeting.
 - Person verifying the minutes should not be a Board member or employed in the organisation.
 - The minutes should be available on the organisation's website

- Appointment of the Board and auditors – nomination committee
 - The annual general meeting should appoint members or state how members in the nomination committee should be appointed.
 - At the annual general meeting, the nomination committee should submit proposals for decisions regarding the appointment of Board members and auditors as well as potential remuneration to the Board members and chairman of the Board
 - The work of the nomination committee should be guided by a governance document.
 - As a basis for its proposals, the nomination committee should
 - establish the requirements profiles for any new Board members who need to be recruited in line with the results of the Board's evaluation,
 - carry out a systematic procedure for finding candidates for vacant positions in the Board, within which proposals from members should be considered
 - aim towards diversity and gender equality within the Board
 - Names of the nomination committee's members and their contact information (publicly available information).
 - When appointing Board members, formal obstacles should be considered (for example, SFI's directives)
 - Information on term and possibility for re-election (publicly available information)
 - Description of the Board members' profiles/skills and of the Board members' attendance of Board meetings (annual report)
 - Description of the manner in which auditors are appointed (publicly available information)

Guidelines for foundations

- Foundation charter (website)
- The Board
 - Account for the Board's decision making powers and the manner in which it makes decisions (publicly available information)
- Representative assemblies, if applicable (all information should be made publicly available)
 - Is there a representative assembly?
 - If so, who is included in the representative assembly?
 - How is it appointed?
 - What executive power does it have?
 - To what extent are guidelines for the association's annual general meeting applied?
 - To what extent are guidelines for the nomination committee (see above) applied?
 - To what extent are guidelines for the association's appointment of the Board, auditor and decisions on remuneration applied (that is, the nomination committee makes proposals)?
- Appointment of the Board and auditor
 - Account for how the Board is appointed (publicly available information)
 - When appointing Board members, the foundation should, to the greatest extent possible,
 - in line with results from the Board's evaluation, establish the requirements profiles for new Board members who according to this assessment need to be recruited
 - carry out a systematic procedure for finding candidates for vacant positions in the Board within which proposals from members should be considered
 - aim for gender equality and diversity in the Board
 - When appointing Board members, formal obstacles should be considered (for example, SFI's directives)
 - Description of the Board members' profile and skills and of the Board members' attendance at Board meetings (annual report)
 - Description of the manner in which auditors are appointed (publicly available information)

Guidelines for non-profit associations and foundations

- The Board's rules of procedure
 - The Board should prepare, in writing, internal formal rules of procedure clearly identifying guidelines for the authorities and the responsibilities that apply for any committees. At the minimum, the rules of procedure should include:
 - information about the Board and its method of work
 - guidelines covering the authority and responsibilities of any committees
 - the chairman of the Board's commitments
 - the Board members' commitments
 - the Board members' personal responsibilities
 - policy/guidelines on how conflicts of interest and the Board members' independence is handled

- statement that the Board shall appoint the chief executive and annually evaluate his/her work
- minutes from the Board meetings
- an assurance from the Board that its internal work is evaluated annually
- The Board's remuneration
 - Details of the Board members' fees and other remuneration should be made publicly available and include remuneration for any assignments in the organisation over and above Board duties
- Reporting:
 - The Board should take responsibility that the organisation:
 - reports objectives as well as the results achieved by the organisation through its operations (impact)
 - The Board should ensure that the financial reporting is in accordance with
 - Legislation
 - SFC's template for annual report
 - other applicable accounting standards and other requirements
 - Internal controls
 - The Board should decide on and regularly evaluate the organisation's internal controls, thereby ensuring that the internal controls run efficiently
 - Work with accounting and auditing issues
 - Internal documentation on how the Board ensures the quality of the financial reporting and communicates with the organisation's auditor
 - Responsibility in all links in the chain, if appropriate, and follow-up structures
 - The Board's other assignments
 - Guidelines for financing, capital investment and the amount of equity (the organisation should comply with guidelines stated in SFC's Guidelines regarding Saving and SFC's Guidance regarding Investment Policy)
 - Ensure that a risk management strategy exists
 - Application of SFC's Code of Quality
 - Executives
 - The Board should prepare instructions to the chief executive and submit guidelines and instructions for day-to-day administration
 - The division of responsibilities between the Board and chief executive should be described
 - The chief executive should provide the Board with the basic information required
 - Remuneration to executives
 - Policy/guidelines regarding remuneration to executives (publicly available information)
 - Remuneration to executives should be stated in the annual report

5. Fundraising

The points in this chapter are taken from SFC's Guidelines for Ethical Fundraising, adopted in 1999 by SFC's members and last reviewed in 2004.

- Requirement for 90 controlled fundraising giro accounts
- Requirement for policy/guidelines for fundraising (fundraising methods, fundraising forms and management of donations)
- Fundraising should be carried out in a confidence building manner. Information in connection with fundraising should be factual and correct.
- The organisation should be able to describe, explain and justify its actions and routines for handling issues and complaints
- Presentation of the aim of fundraising
- Reporting regarding the manner in which the raised funds have been used
- Provide an account for work costs and how much is used towards aims. These costs should be legitimate
- Respect for the donor's integrity
- Donations for special purposes should be used only for those purposes. If this is not possible, the donor should be notified
- If the organisation receives a donation that is clearly intended for another receiver, the donation should immediately be transferred to the other receiver. Requirements for repayment should be respected, if reasonable
- The right to decline donations or collaborative work that does not concur with the organisation's values and method of work
- Disclose cases in which images and text in fundraising material cannot be related to the actual situation. Images and text should present a fair portrayal of people. If possible, permission should be obtained from the individuals portrayed for the use of their images. (Extra consideration should be taken regarding minors and particularly vulnerable people)
- Consider taking special measures where minors participate in the fundraising
- Marketing material should not give the impression that fundraising takes place free of charge. A first request for donation may not be given in the form of an invoice and a product may not, under any circumstances, be sent to someone who has not ordered it. If the sale of the item takes place via an external party, the amount that goes to the organisation/special purpose should be stated
- The donor's name should normally not be submitted or sold to another party. If this happens, the donor shall have been informed and given the possibility of exemption. When fundraising through a third party, donors shall be informed of whether the third party saves name and address information and whether the fundraising organisations concerned have access to this information.
- Guidelines for the handling and sale of donations in the form of real property, tenant-owned rights, securities, personal property etc shall be adopted.

6. Human resources (employees and volunteers)

- The organisation shall develop
 - guidelines/policy for employees. Special guidelines shall be available for those working outside Sweden
 - guidelines/policy for salaries and terms of employment as well as a policy for commission-based remuneration (publicly available information)
 - guidelines/policy for management of conflicts of interest
 - a code of conduct
 - a definition of volunteers as well as the differences between volunteers and employees
 - an introduction for volunteers to the organisation
 - staff rights for equal and respectful treatment, at the same time as their human rights are respected and safeguarded
 - the professional conduct of management
 - the close association of authority with responsibility
 - the provision of the development of skills
 - the regular performance of evaluation (development discussions)

7. Reporting and information

Three types of information requirement exist:

1. The requirement that information shall be available in the published annual report or in a special report (called “annual report” in the running text of the Code).
2. The requirement that information shall be made publicly available on the website.
3. The requirement that information shall be made publicly available. The organisation may determine the manner in which the information shall be published and made available.

When the Code text requires that the information be made publicly available, the organisation decides on how and where the information should be published. Please note that the information, in all cases, must be published. Following this, the organisation shall indicate in the Code Report where the information is available, as long as it does not deviate from the information requirements. In this case, such deviations should instead be explained. When the Code text does not specify where the documentation or information is available, the organisation itself may decide whether the information should be published or not (internally available information).

The Code Report should be included in the published annual report or in a special report, even if it does not constitute a part of the formal annual report documentation. It should also be available on the website.

Audit

- At least one of the organisation’s auditors should be either an approved public accountant who has passed the examination of professional competence or an authorised public accountant
- Increased reporting responsibility

Appendix 4: SFC's Member Organisations

- Africa Groups of Sweden
- Alzheimerfonden
- Amnesty International
- African Medical and Research Foundation
- Swedish Asthma and Allergy Association
- A World of Friends - Sweden
- The Swedish Children's Cancer Foundation
- Barndiabetesfonden
- Barnfonden (Child Fund International)
- Blomsterfonden
- Child Helpline International Sweden (BRIS)
- Bröd till Bröder (InterAct, Swedish Alliance Mission, Baptist Union of Sweden)
- The Swedish Cancer Society
- Clowns Without Borders
- The Dementia Association - The National Association for the Rights of the Demented
- Diakonia
- Animal Rights Sweden
- ECPAT Sweden
- EFS (Church of Sweden)
- A Non-Smoking Generation
- Erikshjälpen
- Ersta Diakoni
- A Click for the Forest
- FRIENDS
- The Salvation Army
- Greenpeace
- Gothenburg Christian City Mission
- Gothenburg Rescue Mission
- Hela Människan
- Hjärnfonden
- Swedish Heart-Lung Foundation
- The Swedish Heart and Lung Association
- Heart to Heart Sweden
- The Swedish Heart Children's Association
- Star of Hope Sweden
- Swedish Association of Hard of Hearing People
- Swedish Organisation for Individual Relief
- Swedish temperance organisation IOGT-NTO
- Jämtland läns Cancer- och Omvårdnadsfond
- Kalmar Stadsmission
- YMCA-YWCA
- Swedish Cooperative Centre

- Kvinna till Kvinna
- Swedish Leprosy Mission
- Church of Sweden
- Doctors Without Borders (MSF)
- Läkarmissionen
- Malmö Stadsmission
- Mentor Sweden
- Min Stora Dag
- Swedish Association for Persons with Neurological Disabilities
- Parkinsonförbundet
- PMU Interlife
- Plan Sweden
- The Cancer Research Funds of Radiumhemmet
- Swedish Rheumatism Association
- The Swedish National Association for Persons with Intellectual Disability
- Riksförbundet för Mag- och Tarmsjuka – RMT
- Riksförbundet för rörelsehindrade barn och ungdomar – RBU
- FMN - the National Swedish Parents Anti-Narcotics Association
- Swedish Organisation of Youth With Rheumatism
- Ronald McDonald Barnfond (Ronald McDonald House Charities)
- Rotary Doctor Bank, Sweden
- Save the Children
- Swedish Society for the Saving of Shipwrecked Persons
- Skandinaviska Barnmission
- Sociala Missionen
- SOS Children's Villages
- Linköping City Mission
- Swedish Fund for Research Without Animal Experiments
- The Hunger Project
- Stockholms City Mission
- Swedish Committee for Afghanistan
- Swedish Bible Society
- Svenska Diabetesförbundet
- Svenska Freds- och Skiljedomsförening
- Svenska Läkare mot kärnvapen
- Swedish Society for Nature Conservation
- Swedish Red Cross
- Svenska Scoutrådet
- Unicef Sweden
- Sweden's National Association of the Deaf
- Vi Agroforestry
- World Childhood Foundation
- World Infection Fund
- World Wildlife Fund