

GUIDELINES: Ethical Principles in Fundraising in Vietnam

The following Guidelines are intended to foster the growth of a community of non-governmental organizations (NGOs) and not-for-profit organizations (NPOs) operating in Vietnam that participate in fundraising and dedicated to accountability, transparency and effectiveness. In these Guidelines we want to set forth what unites us in the way we practice our profession. The intent of this statement is to unify the fundraising community in Vietnam behind a single universal declaration of fundamental principles. Organizations and individuals who endorse these Guidelines are not necessarily abandoning existing codes or standards, but are announcing their interest in an understanding of these fundamental principles. This is a self-regulated code, which interested organizations can apply voluntarily.

These Guidelines can provide instruction for initiating best practices among different types of nonprofit organizations in Vietnam. It was developed based on the *International Statement of Ethical Principles on Fundraising*¹ and modified to suit the context of nonprofit work in Vietnam.² Adherence to these Guidelines should also advance the common purpose of assuring public trust in the nonprofit sector while discouraging personal gain at the expense of donors and stakeholders.

Fundraising involves the combined effort of NGOs/NPOs as well as donors and giving institutions and fundraising ethics requires the commitment of both parties. Although these Guidelines refer only to the efforts and best practices of NGOs/NPOs, the development of a code of conduct by members of the donor community is just as important and could help to build mutual understanding and improve collaboration.³

I. FIVE UNIVERSAL PRINCIPLES

Five important principles for an NGO/NPO participating in fundraising:

- **Transparency:** NGOs/NPOs stimulate clear reports about the work they do, the way donations are managed and disbursed, and costs and expenses, in an accurate and comprehensible manner.
- **Integrity:** NGOs/NPOs will act openly and with regard to their responsibility for public trust. They shall disclose all actual or potential conflicts of interest and avoid any appearance of personal or professional misconduct.
- **Honesty:** NGOs/NPOs shall at all times act honestly and truthfully so that the public trust is protected and donors and beneficiaries are not misled.
- **Respect:** NGOs/NPOs shall at all times act with respect for the dignity of their profession and their organization and with respect for the dignity of donors and beneficiaries.
- **Empathy:** NGOs/NPOs will work in a way that promotes their purpose and encourage others to use the same professional standards and engagement. They shall value individual privacy, freedom of choice, and diversity in all forms.

¹ The *International Statement of Ethical Principles in Fundraising* from the Association of Fundraising Professionals (<http://www.afpnet.org/Ethics/IntlArticleDetail.cfm?ItemNumber=3681>).

² The effort to localize these guidelines involved many individuals and organizations that generously volunteered their time, skills and experience. A complete list of contributors is detailed on pages 24-25.

³ *The Lake Washington Declaration* is one example of a donor code of conduct. ([http://www.marketsforgood.org/the-lake-washington-declaration/.](http://www.marketsforgood.org/the-lake-washington-declaration/))

II. STANDARDS OF PRACTICE

The following standards are presented with the recognition that NPOs/NGOs may operate subject to multiple jurisdictions and that they must observe the relevant law of the jurisdiction in Vietnam. However, it is expected that NPOs/NGOs adhering to these standards of practice will, first and foremost, adhere to the most rigorous interpretation of the law, and of the Code of Ethics of their own membership association, applicable to an activity, whichever jurisdiction that activity derives from.

Please Note: An alphabetical index of terminology used in this document, along with their respective definitions, is located on pages 21 to 23.

1. NPOs/NGOs responsibility regarding **donations**.

- a. Donations will be accepted only if made voluntarily and solely in line with the mission and objectives of the organization, and will bring not more than reasonable costs corresponding to the value of the donation.

i. **Guidelines:**

- Fundraisers and organizations should only make fundraising requests that are in line with the organization's mission, goals and activities.
- Decisions to take a donation should be made with the consideration of their cost-effectiveness over the life of the donation.
- Fundraising activities should not violate the organization's (fundraising) principles (if any) and their constitutional documents (e.g., charter or operation regulations).
- Spending on fundraising will be kept as low as is cost-effective.

ii. **Examples of Ethical Practice:**

- All accepted donations are in line with the mission and objectives of the organization in line with its constitutional documents.
- Costs of receiving a donation are smaller than the value of the donation.
- The costs involved in raising funds for a project are reasonable. For example, NGOs/NPOs must consider the costs involved in organizing a fundraising concert, a gala dinner, a media campaign, etc. and decide whether those costs are reasonable given conservative projections of income from such fundraising activities.
- Donations are made based on voluntary cooperation or partnership between the organization and donor.
- Refuse donations that are not in line with the mission and objectives of the organization and all donations that require any sort of commission to the donor (e.g., a commitment to purchase products or services from that donor).

iii. **Examples of Unethical Practice:**

- Accept a donation that may have a negative impact on the organization's reputation (e.g., the donor's reputation may be in conflict with the organization's mission - if your NGO/NPO is hosting a lung cancer prevention campaign and you accept sponsorship funds from a tobacco company).
- Costs incurred from receiving contributions are large or larger than the contribution. (For example, the NGO accepts out-of-date computers that will cost more to transport, repair and use for one year compared with purchasing new computers that have an estimated 5+ years' life span.)

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- Acceptance of an asset for which spare parts are not readily available in Vietnam and would be expensive to ship to Vietnam or send for repairs overseas.
- b. Funds will be disbursed in accordance with the donor's wishes, if expressed.
- i. **Guidelines:**
- Prior to accepting any funds, all relevant NGO/NPO staff members (e.g., director, accountant and project officers) have read and understand all donor requirements and expectations and the organization is confident that it has, or will have, the capacity to comply with all requirements.
 - Ensure that any project spending follows the plan approved by the donors and in line with the NGO's/NPO's mission and objectives. For any expenses that are likely to go under/over the amount agreed upon with a donor, a written request to change the budget will be sent to the donor for approval. In the case where a donor does not agree to one or more change, the NGO/NPO must follow the donor's expectation or return any unspent funds.
 - Regularly review the requirements of all donors, particularly when your NGO/NPO has a question or is uncertain. Contact the donor directly in case written requirements do not adequately address your concern.
 - In initial correspondence with donors, the NGO/NPO clearly states that donations that do not specify a purpose will be treated as "unrestricted".
 - When a donation is "restricted" there would be a written agreement (email is acceptable) and/or receipt, which clearly states the donor's expectation with regards to the use of the donation.
- ii. **Examples of Ethical Practice:**
- Study project documents that set financial regulations of the donors in the Memorandum of Understanding (MOU) between the NGO/NPO and the donor (if any) before implementing any activities.
 - Budget activities before implementation to ensure the proper spending and within limitation of the donors.
 - Spend money as committed to donors allocating restricted funds.
 - Request advance approval to use any restricted funds for any activity that is not already approved by the donor.
 - Share financial reports with project staff, on a regular basis, to ensure that recent and planned expenses are allocated properly and within the budget and to assist with the early identification of potential over/under spending on projects.
- iii. **Examples of Unethical Practice:**
- Change the use of a grant, or part of a grant, before receiving approval from the donor. For example, shifting funds originally allocated to organize a workshop to cover travel expenses for a meeting before requesting and receiving the donor's approval.
 - Use restricted funds to cover administrative expenses without the approval of the donor that granted those funds.
 - Apply unspent funds to other activities without the donor's approval.
 - Not preparing supporting documents (e.g., receipts, agendas, lists of participants) when making payments and maintaining those documents for reporting purposes.

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- c. Funds will not be raised for the personal financial gain of the fundraiser or any organization the fundraiser may represent.

i. **Guidelines:**

- NGO/NPO develops a fundraising plan with clear objectives, planned activities and targeted amount to be solicited before actual fundraising begins
- Send financial and narrative reports to all donors, clearly noting the total amount of funds raised and how those funds were (or will be) spent.
- The seeking or acceptance of philanthropic contributions should not provide personal gain to any individual working for or on behalf of the organization raising funds.
- Organizations will not pay finder's fees, commissions or percentage compensation based on contributions to any staff engaged in fundraising.
- A fundraiser will never request and will refuse and/or return any offers to improve their personal financial status or well-being through a donation.
- NGOs/NPOs will disclose any conflicts of interest that may arise.

ii. **Examples of Ethical Practice:**

- Request advance approval from a donor before using funds in any way other than what was already understood and approved by the donor, including using funds to generate funds for the organization if permitted (e.g., if the organization would like to use donated funds for interest-bearing purposes, such as depositing into savings accounts or purchasing government bonds).
- The NGO/NPO clarifies with the donor whether bank interest earned on unused donations should be returned to the donor or treated as NGO/NPO income.
- Regularly monitor and review the performance of any fundraiser, based on pre-established Key Performance Indicators (KPIs) of each organization, through scheduled one-on-one meetings.
- Fundraiser accepts performance-based compensation, such as bonuses, only if such bonuses are in accordance with existing practices within the members' own organizations and are not based on a percentage of contributions.
- Send and update financial, management, operational and narrative reports on the organization's website and to the relevant government authorities as required.
- Engage an external subcontractor to undertake an organizational audit and send their report to all sponsors and/or publish the report on the NGO/NPO's website.

iii. **Examples of Unethical Practice:**

- Fundraiser accepts compensation or enters into a contract that is based on a percentage of contributions.
- Fundraiser accepts finder's fees or contingency fees.
- Fundraising officers freely call for funding without scheduled plan or do not follow any documents that indicate the goal and activities of fundraising project.
- Funds raised are used for interest-earning activities without the donor's approval.

- d. Cash contributions will be collected and recorded.
- i. **Guidelines:**
- There should be written procedures for receiving cash.
 - Each cash contribution is accurately and transparently recorded at the time it is received.
 - Whenever a cash contribution is made, there are two representatives from the NGO/NPO to count the cash and sign the receipt.
 - The NGO/NPO should provide written receipts to donors for every cash contribution that is over an established threshold.
 - Cash should be kept in a secure, locked petty cash box or safe. Large amounts should be transferred to a bank account as soon as possible.
- ii. **Examples of Ethical Practice:**
- At a fundraising event, there are two representatives of the NGO/NPO assigned to receive all cash contributions. Both representatives are responsible for counting the cash and signing receipts.
 - A written receipt, from a pre-numbered receipt book, is provided for any cash contribution valued at or above a specified threshold (e.g., one million VND).
 - Whenever the NGO/NPO receives a large, cash donation and/or when the petty cash box exceeds a specified amount (e.g., ten million VND), the funds should be deposited into the organization's bank account on the same day.
- iii. **Examples of Unethical Practice:**
- After a fundraising event, the accountant keeps cash donations, in his/her home or office desk, for more than one evening.
 - When a donor makes a cash contribution, it is accepted by the NGO/NPO without request for the donor's name and contact information.
- e. Funds will be collected carefully and with respect of donor's free choice, without the use of deception, pressure, harassment, intimidation or coercion.
- i. **Guidelines:**
- Donors and potential donors must be protected from deception, pressure, harassment, intimidation and coercion. Deception, pressure, harassment, intimidation and coercion in this context includes:
 - Making any communications or performing any acts that induces another person to misunderstand the subject or nature of your request;
 - Taking advantage of another person for one's own ends;
 - Threatening to take an action if another person does not comply with your request;
 - Encouraging another person to take an action that is to the person's disadvantage or to the disadvantage of that person's family; and,
 - Encouraging another person to action that would seem, to the reasonable person, contrary to the best interest(s) of the person so encouraged.
 - NGOs/NPOs accurately and transparently account for all funds received.
 - NGOs/NPOs establish policies and procedures with regards to providing accounting documentation (i.e. the payment receipt) that may be needed by donors to request tax relief under the prevailing laws on PIT/CIT for

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donations/sponsorships and be ready and willing to share this information with its donors.

- When donors do not specifically state an intended purpose for funds transferred, the NGO/NPO must request clarification to understand whether the donation was intended to be restricted or unrestricted before making use of those funds.
- NGOs/NPOs ensure that the wishes of the donor are carried out in line with the mission and objective of the organization.

ii. **Examples of Ethical Practice:**

- Ensure that all donors understand how their funds will be used before your NGO/NPO accepts their contributions.
- When a donor agrees to donate funds, the accounting officer records the exact amount and stated purpose, if applicable, and sends the accounting documents and/or signed confirmation of received funds back to the donor, which details the amount received and the approved purpose.
- In the case where a contribution was already received but the purpose of the contribution is unclear, the NGO/NPO will ask the donor for clarification and/or permission before using those funds.
- Do not harass or criticize a donor if he/she decides not to contribute to the program or activity that you expected or requested.
- Send an annual narrative and financial report to all donors, in which the use of all funds received is clearly detailed.
- Refuse to participate in the structuring of contributions by any donor or prospect who, to the reasonable person, is incapable of making an independent, informed decision or does not have or has restricted civil act capacity (e.g., minors⁴).

iii. **Examples of Unethical Practice:**

- Using, or threatening to use, information detrimental to any person to coerce a contribution that the individual would not otherwise willingly undertake.
- Using, or threatening to use, status, position or power to coerce someone into making a contribution that the individual would not otherwise willingly undertake.
- Manipulating a donor or prospect that is vulnerable because of age, handicap, infirmity, illness or emotional or physical impairment or dependence in order to benefit the fundraiser and/or the fundraising organization.

⁴ According to Chapter III, Section 1 of the Civil Code, pursuant to which certain transactions (including donations) made by individuals without civil act capacity will be invalid. These individuals include:

- Minors under 6 years of age;
- Minors between 6 and 18 years of age without the consent of their legal representatives (e.g., parents);
- Those incapable or recognizing or controlling his/her acts due to mental illness; and
- Those under the influence of drugs/narcotics or other stimulant addiction.

Note: Minors between 15 and 18 years of age do not require the above consent if donations are made using his/her own property.

2. Relationship with **stakeholders**.

- a. NGOs/NPOs are strictly answerable to all stakeholders including donors, beneficiaries, and employees.
- i. **Guidelines:**
- NGOs/NPOs are accessible to relevant stakeholders including donors, beneficiaries, board of directors and colleagues.
 - NGOs/NPOs are accountable to relevant stakeholders including donors, beneficiaries, board of directors and colleagues.
- ii. **Examples of Ethical Practice:**
- Prominently display contact information (e.g., on website, directories) and respond to inquiries from stakeholders within a reasonable period of time.
 - NGOs/NPOs must be able to justify fundraising requests and funds raised to donors, donor prospects, beneficiaries, board members and staff as may be requested.
 - Organizations are honest with their donors, prospective donors, beneficiaries and board members, proactively sharing achievements, challenges and failures.
 - Publish a list of all donors and their contributions on the organization's website and/or in the organization's annual report, unless consent is withdrawn by the donor.
- iii. **Examples of Unethical Practice:**
- NGOs/NPOs do not provide contact information and/or fail to respond to questions or concerns from stakeholders.
 - Organizations do not share challenges, including failures, with relevant stakeholders.
- b. NGOs/NPOs will respect donor rights by providing timely information about how contributions are used, respecting donor privacy, and honoring donor wishes.
- i. **Guidelines:**
- All employees of the organization, including fundraisers, must respect their donors' privacy and the intended use of their donations, including honoring and protecting donors' rights to anonymity when requested. NGOs/NPOs are responsible for ensuring that all donors understand how their information will be stored, used and shared.
 - All employees of the organization, including fundraisers, must understand and strictly adhere to all agreements between the organization and its donors.
 - NGOs/NPOs must be clear about the donation process and provide information and feedback to donors in a timely manner.
 - NGOs/NPOs are responsible for ensuring that relevant staff of the organization receive and understand all information related to donations, including any donor expectations on how to use their contributions, respect their privacy and any other donor wishes.
 - NGOs/NPOs balance the obligation of their organizations to collect, record, and make public information with the right of prospective donors and donors to privacy.
 - NGOs/NPOs seek and record only information that is relevant to the fundraising efforts of their organizations.

- ii. **Examples of Ethical Practice:**
 - NGOs/NPOs share and discuss proposed donor requests and expectations with relevant staff to ensure that the organization can and would be willing to comply before accepting funds.
 - Upon accepting funds, disseminate information relating to the donation to relevant staff members.
 - Submit reports and/or updates to donors regarding the use of their funds.
 - Invite donors to visit the project site, attend debriefing meetings and/or related program activities, when appropriate. Share achievements as well as challenges in implementing the project(s) they support.
 - Storing information about donors and prospects in a secure manner to prevent access by unauthorized persons.
 - Developing written policies, based upon local laws, defining what information about donors may be gathered, and under what conditions that information may be released and to whom.

- iii. **Examples of Unethical Practice:**
 - Changing the proposed project activities or budget without requesting the donor's approval to do so, in advance.
 - Sharing donor information with friends, relatives, peers and colleagues not involved in fundraising or donor stewardship, or in social settings involving anyone not directly involved in fundraising or donor stewardship.
 - Treating confidential information casually (e.g., taking information to a restaurant so as to subject them to public view).

- c. NGOs/NPOs will respect beneficiary rights and preserve their honor, dignity and prestige. They will not use fundraising materials or techniques that undermine this honor, dignity and prestige.
 - i. **Guidelines**
 - NGOs/NPOs will respect the rights of their organization's beneficiaries with respect to local and international laws and best practices.
 - NGOs/NPOs will discuss with beneficiaries any plan to use their names, information or images for fundraising purposes and request their permission first.

 - ii. **Examples of Ethical Practice:**
 - Provide information, discuss and obtain agreement from a beneficiary (or legal guardian) before including his/her name, image and/or story in fundraising materials.
 - Refuse any donations that come with expectations or requests, which could infringe upon the honor, dignity or prestige of one or more beneficiary.
 - Respect the relationship of the organization with their beneficiaries.
 - NGOs/NPOs respect the wishes of their beneficiaries with regards to privacy and the confidentiality of particular details.
 - Organizations develop and observe written policies and practices regarding the use of beneficiary information and images.

 - iii. **Examples of Unethical Practice:**
 - Use the image of one or more beneficiary, for fundraising purposes, without requesting and receiving permission in advance.

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- Present a painful or negative image or story about a beneficiary and/or family for fundraising purposes without his/her understanding and approval or without protecting his/her identity.
 - Collect contributions intended (or understood) to be for a specific beneficiary and then allocate those funds to a different beneficiary.
- d. NGOs/NPOs work with suppliers or intermediary agents at the same standards as within their own organization. They make reasonable efforts to assure that suppliers do not gain unreasonable profit while working with their own organization.
- i. **Guidelines**
- For expenses that are substantial (as defined by each organization), NGOs/NPOs request at least three quotations from different service providers/suppliers and follow pre-established criteria when selecting a provider/supplier.
 - Terms and conditions relating to maximum fees, payment schedule, work schedule, technical requirements, etc. should be added to all contracts with suppliers and intermediary agents.
- ii. **Examples of Ethical Practice:**
- Research the price of a service/product from at least three independent suppliers in order to establish what would be a reasonable cost or range for that service/product.
 - Make and keep a record of the quotes received and the reason for the final selection (especially if the cheapest option was not selected).
 - Regularly check or monitor the work of a provider/supplier to ensure the quality and enact changes, as may be necessary.
 - Obtain competitive and comparative quotations for all major purchases, and ensure the decision and/or contract to procure, and then to pay, is signed off by (i) a person with the authority to enter into transactions on behalf of the organization (e.g., the legal or authorized representative) and (ii) affixed with the seal of the organization (if any).
 - Research the quality of a service/product prior to entering into an agreement (e.g., checking with past customers).
 - Make an effort to negotiate on the cost of a service/product.
- iii. **Examples of Unethical Practice:**
- Select a product or service provider before checking up on their price competitiveness, capacity, quality and reputation.
 - Request or receive a commission from the purchase of any product or service.
 - Hire family or friends to provide a product/service for your organization without conducting proper due diligence and/or without a thoughtful analysis of all possible conflicts of interest.

3. *Responsibility for **communications**, marketing and public information.*

- a. NGOs/NPOs will only use public information that is accurate, truthful and not misleading, and information that respects the honor, dignity and prestige of beneficiaries.

i. **Guidelines:**

- NGOs/NPOs shall verify all information and data before publishing and ensure consistency with the fundraising purpose.
- NGOs/NPOs shall provide information objectively and accurately. NGOs/NPOs shall not intentionally use information that could be interpreted as misleading.
- NGOs/NPOs shall use data from trustworthy and reputable resources
- NGOs/NPOs will discuss with beneficiaries any plan to use their names, information or images for fundraising purposes and request their written permission first.

ii. **Examples of Ethical Practice:**

- NGOs/NPOs use data that are already verified or from a trusted source.
- NGOs/NPOs provide and credit the sources of data used during fundraising.
- All images, photos, videos and other created or owned works are used with written consent from the creator or owner.
- NGOs/NPOs use images that celebrate beneficiaries.
- NGOs/NPOs respect the wishes of their beneficiaries with regards to privacy and the confidentiality of particular details.
- Organizations develop and observe written policies and practices regarding the use of beneficiary information and images. (For example, any photographer, professional or amateur, must inform to beneficiaries that they are taking photographs that may be used for reporting or communication purposes and give each individual an opportunity to excuse themselves from participation.)

iii. **Examples of Unethical Practice:**

- NGOs/NPOs take advantage of data that victimizes beneficiaries.
- NGOs/NPOs present beneficiaries as passive or helpless objects to solicit contributions.
- NGOs/NPOs provide exaggerated information that leads to public misunderstanding about the real situation.

- b. NGOs/NPOs will not express or suggest in public information that fundraising lacks administration and fundraising costs, thus giving the incorrect impression that fundraising activity is without costs. NGOs/NPOs will object to their organization expressing or suggesting that fundraising activity is without costs.

i. **Guidelines:**

- NGOs/NPOs shall be transparent in providing information to the public and donors about fundraising and administration costs.
- NGOs/NPOs shall state clearly the funds that will be allocated to program, administration and fundraising activities.

ii. **Examples of Ethical Practice:**

- In information provided to the public and donors, NGOs/NPOs include the amount (or percentage) of funds that will be used for program costs and the

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amount (or percentage) of funds that will cover fundraising and administration costs.

- NGOs/NPOs are transparent about fundraising and administration costs from the beginning of the fundraising campaign to the end when reports are disseminated.
- NGOs/NPOs and fundraising organizations publish fundraising costs exactly as they are (without exaggeration or underestimation).

iii. **Examples of Unethical Practice:**

- NGOs/NPOs announce that there is no fundraising and/or administration cost, even if fundraising costs (e.g., the fundraiser's salary) are covered by another source.
- NGOs/NPOs only mention fundraising and/or administration costs after funds are received.
- NGOs/NPOs increase or decrease administration costs without informing the concerned parties.

- c. NGOs/NPOs will provide truthful information about use of funds, without exaggeration or underestimation. They respect data protection rules and laws at all times

i. **Guidelines:**

- NGOs/NPOs shall provide information precisely, objectively and in a timely manner.
- NGOs/NPOs shall provide validated information about the result and effectiveness of all funded programs.

ii. **Examples of Ethical Practice:**

- NGOs/NPOs provide donors with truthful and accurate information about the use of their funds and any changes made.
- An independent party evaluates the uses of funds, and the outcomes of the project, and the results are published.

iii. **Examples of Unethical Practice:**

- NGOs/NPOs announce a higher amount than what was actually raised to enhance their own, and/or their organization's reputation.
- NGOs/NPOs exaggerate the outcome or impact of programs for which they are raising funds.

- d. A donor's request to be removed from a contact list will be followed promptly and without obstacles for the donor.

i. **Guidelines**

- NGOs/NPOs will process the wish of any donor to be removed from a contact list without delay.
- Donor information maintenance and removal process shall be followed promptly and consistently within an organization.
- Even after a donor is removed from a contact list, NGOs/NPOs shall not change or exchange any information of the donor with other parties without the donor's permission.

- ii. **Examples of Ethical Practice**
 - Upon request from a donor, NGOs/NPOs will remove the donor's name and information from the organization's contact list(s) in a timely manner, without question. *[Note: In some Customer Relationship Manager (CRM) systems, NGOs/NPOs are able to change contact settings to ensure that a donor is never contacted.]*
 - Once a donor is removed from a contact list, NGOs/NPOs will ensure that the donor's information can and will no longer be used.
 - NGOs/NPOs will not provide donor information to outside parties, except in cases where required by the competent authorities or auditors.
 - When interviewing for new employment at any other organization fundraisers clearly state that they will not share donor lists, or any information, obtained from their previous NGO/NPO employer(s).

- iii. **Example of Unethical Practice**
 - NGOs/NPOs question or try to delay a donor's request to be removed from one or more contact lists.
 - NGOs/NPOs disclose donor information that was supposed to be removed in exchange for money or otherwise without prior consent.
 - NGOs/NPOs do not follow procedures for removing donor information, thereby creating confusion among other employees who may continue to use the donor's information for fundraising or communication purposes.

- e. Fundraisers accept that all donor and prospect information developed by or on behalf of an organization shall not be transferred or utilized except on behalf of that organization.
 - i. **Guidelines:**
 - Adhere to all legal requirements concerning privacy, confidentiality and privileged information concerning donors and donor prospects.
 - Staff and contractors do not physically or electronically remove or transmit information from the possession of a NGO/NPO or client without prior and explicit consent.
 - NGOs/NPOs develop written policies concerning the confidentiality of their files and the requirements for gaining access to them.
 - NGOs/NPOs who lease, sell, rent, or exchange their donor lists establish a process of permission or authorization - donors must give permission and only a designated and properly authorized employee can negotiate and sign appropriate contracts for such transactions.
 - Individuals who are involved in fundraising do not apply information about specific prospects and donors they have learned in the course of work for one organization that would be a benefit to another as a consequence of their employment.
 - NGOs/NPOs respect the wishes of donors as to anonymity and the confidentiality of particular details of specific contributions.
 - Individuals involved in fundraising understand that the relationship between donor and fundraiser (development officer) is based upon trust.

 - ii. **Examples of Ethical Practice:**
 - Develop board-approved policies covering the use of donor lists and who may have access to them.

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- Assure that staff and consultants are all aware of the laws and organizational policies governing the appropriate use and disclosure of privileged information.
- Refuse the request of a board member or appointed representative who asks for lists of donors to one's organization for use by another organization.
- Fundraising staff clearly states, when interviewing for new employment or presenting a consulting proposal, that donors with whom the member has been previously involved are not portable and will only be involved with the new organization if they are, or can become, through their own personal involvement, part of the new organization's natural constituency.
- Providing and signing a confidentiality agreement with the appropriate parties.
- If confidential information is received inadvertently, immediately notify appropriate parties and return and/or destroy information in any and all forms in which it was received.

iii. **Examples of Unethical Practices:**

- Disclosing confidential information to unauthorized persons.
- Providing donor or prospective donor information to another nonprofit, client, or business entity without permission of the owner organization.
- Approaching a nonprofit or a potential or current client with another organization's donor information.
- Marketing, selling or using lists acquired from other organizations or individuals.
- Revealing the identity of an anonymous donor to others without the authorization of the donor.

4. *Management reporting, finance and fundraising costs.*

- a. NGOs/NPOs assure that all fundraising transactions, accounting and reporting for which they are responsible are transparent and unambiguous. They are able to account anytime for their professional work.

i. **Guidelines**

- Provide an annual report to donors, which can be included in a general report about the organization or in a newsletter sent to donors.
- Adopt and operate within written policies governing restricted and unrestricted contributions, sponsorships, donor recognition, and vendor transactions.
- Maintain written protocols and/or agreement guidelines for administration of any restricted donation.
- Obtain explicit consent by donors before altering the conditions of financial transactions.

ii. **Examples of Ethical Practice**

- Introduce policies to promote good stewardship and prudent financial management practices (e.g. an interest earning savings account).
- Provide and sign clear gift agreements with appropriate parties and uphold the agreed upon terms.
- Keep donors aware of potential changes in the NGOs/NPOs mission or action plan, which may affect the conditions of a restricted contribution.
- Whenever requested by a donor, share written policies governing related fundraising activities.

iii. **Examples of Unethical Practice**

- Using restricted funds for purposes other than those specified by the donor.
- Characterizing revenue intended as payment in exchange for a product or service, as a gift.
- Accepting restricted funds without an explicit agreement or understanding as to how those funds will be used and reported upon.

b. NGOs/NPOs will report on all income and expenses using best practices in accounting.

i. **Guidelines**

- When announcing fundraising results, apply appropriate and consistent accounting policies that conform to national and international standards of accounting.
- In reporting fundraising results in financial and audited financial statements:
 - Irrevocable unconditional deferred contributions should be recognized in the fiscal year in which they are made.
 - The nonprofit organization should recognize contribution revenue and related assets and liabilities.
 - Assets should be recorded at their fair market value.
 - Unconditional pledges are recognized in the fiscal year in which they are made. The extent to which multi-year pledges are discounted should be determined with professional advice.
 - Aging of receivables from donors should be regularly reviewed and updated, for example, by contacting the donors directly.
 - Percentage of fundraising costs, relative to revenue generated, should be included and updated annually.
 - In the Notes to the financial and audited financial statements, the NGO/NPO will disclose:
 - Bequests (*giving property by way of a will*) at fair market value in the fiscal year in which they mature.
 - Revocable deferred contributions or conditional contributions, to be recorded when the conditions are met.
- For reporting and donor recognition purposes:
 - For campaigns that last over a period of time, results may be reported over more than one fiscal year.
 - Irrevocable, legally enforceable deferred gifts are disclosed using the face value of the gift and the discount rate applied⁵, to provide users of the accounts⁶ with sufficient information.
 - Any significant variation between the original and actual budget is identified and explained to management.

ii. **Examples of Ethical Practice**

- When a donor makes a five-year commitment to contribute VND 100 million every year, the NPO would only record a contribution of VND 100 million each

⁵ The discount rate is the rate you would apply to estimate what is today's value of a deferred gift. (For example, if you have a deposit/loan account, you can use the interest rate on that account.)

⁶ *Users of the accounts* refers to anyone who could be expected to receive and use the NGOs/NPOs financial reports when making decisions (e.g., donors, supporters, beneficiaries, partners, Governments).

year (i.e., record the funds received during that year, as opposed to the funds committed).

- Expenses are recorded against the correct budget line, even if this means that the NGO/NPO has overspent against that budget line.
- Report, as a *Note* to financial statements, the number of deferred contributions for which there are signed agreements, without acknowledging financial value.
- Disclose the accounting policies and practices applied in the preparation of financial statements.
- Develop organizational procedures to ensure that accounting is consistent from year to year.
- Establish financial policies suitable for the size of the organization, regarding the receipt and disbursement of financial resources, purchasing practices and internal control procedures (such as policies for signing payment vouchers or payment orders).
- Obtain and keep all supporting documents relating to cash-in and cash-out transactions.
- Disclose actual expenditures by projects or campaigns made during the same fiscal year.
- Perform regular bank reconciliations and cash counts, at least once a month, to identify errors and to prevent intentional fraud.
- Perform occasional surprise cash counts (two to three times per year)
- Perform regular physical counts of inventory and fixed assets. Depending on the frequency with which inventory and fixed assets are moved, these counts should be monthly, quarterly or annual.
- Request donors who have made verbal pledges to sign and date written documentation of their pledge.
- Disclose any restatement or reclassification of items in the financial statements made during the fiscal year. Comparative amounts should be reclassified to ensure comparability with the current period and the nature, amount of and reason for any reclassification should be disclosed.

iii. **Examples of Unethical Practice**

- Reporting as contributions the value, stated or estimated, of a bequest prior to the distribution of the donor's estate.
- Reporting as contributions the face value of insurance policies, whether revocable or owned by the organization, prior to the termination of the policy.
- Reporting pledges in the year in which they are made and then counting the payment of the pledges in the years in which the payments are made.
- Changing the accounting policies of the organization to misrepresent the true and fair financial results because they might appear unattractive to stakeholders.

c. NGOs/NPOs will submit accurate annual reports and, if required, other periodic reports to all stakeholders within a reasonable time or encourage their organization to do so.

i. **Guidelines**

- NGOs/NPOs prepare annual reports and, if required, other periodic reports, which accurately summarize the organization's activities, income and expenses over the previous year or other period.
- Annual reports and periodic reports are disseminated and made available to all stakeholders in a timely manner.

- ii. **Examples of Ethical Practice**
 - Annual reports and, if required, periodic reports, including accurate information about the organization's activities, income and expenses are disseminated to donors, partners and beneficiaries within a reasonable time after the start of a new fiscal year or relevant period.
 - Provide project reports, comparing budgeted versus actual expenditures, as may be requested by donors in the grant agreement.
 - NGOs/NPOs set a time to complete annual reports and periodic reports and make a list of organizations or individuals who should receive a copy of the annual report and periodic report(s) and send it to them as planned.
 - The organization publishes the annual report and periodic report(s) on its website.
 - iii. **Example of Unethical Practice**
 - Organizations produce annual reports and periodic reports with incorrect or missing information about activities, income and/or expenses.
 - Organizations do not share annual reports and periodic reports, as promised, with donors, partners or other stakeholders.
- d. NGOs/NPOs will be open and clear to all stakeholders about fundraising costs, fees and expenses and the way these are allocated.
- i. **Guidelines**
 - NGOs/NPOs prepare an expense plan or budget for proposed fundraising activities.
 - NGOs/NPOs are transparent with stakeholders about the costs of fundraising and where those expenses are allocated. This information is included in annual reports and, if required, periodic reports and other financial reports about the projects and activities of the organization.
 - ii. **Examples of Ethical Practice**
 - In December, the organization approves its fundraiser's budget for planned fundraising activities in the following year.
 - Fundraising event proposals, detailing all anticipated expenses and revenues, are provided to prospective sponsors.
 - When calling for funds, donors are informed of the amount (percentage) that will be allocated to help cover any costs relating to fundraising.
 - Organizations publish actual fundraising costs and the source of funds used to cover those costs in their annual reports, periodic reports and/or project reports.
 - iii. **Example of Unethical Practice**
 - Organizations do not publish accurate information about fundraising costs.
 - NGOs/NPOs do not announce, in advance, how donations will be used.
 - Organizations do not report how funds were used to their donors.

- e. NGOs/NPOs will make any compensation arrangement transparent to an employee, donor, and beneficiary upon request.
- i. **Guidelines**
- NGOs/NPOs apply principles of transparency and accountability in their work, including practices relating to compensation between fundraisers and other stakeholders.
 - NGOs/NPOs are open to disclose arrangements of compensation in their work when requested by stakeholders.
- ii. **Examples of Ethical Practice**
- Organization has policies or guidelines on compensation, performance based increases or bonuses for staff and this policy is shared with all employees.
 - Organization clearly identifies the sources of funding used for staff compensation and performance-based bonuses, only using restricted funds for such payments when specifically allocated.
- iii. **Example of Unethical Practice**
- Compensation (and any commissions) for fundraisers is not shared with stakeholders, including donors and beneficiaries, upon request.
 - Funds for performance based increases for staff are drawn from restricted funds without prior agreement with the donors.

5. Payments and compensation.

- a. Fundraisers provide their services either as a volunteer, or on a salaried basis or for pre-determined fees. Fundraisers should not accept commissions or compensation based upon a percentage of the funds raised.
- i. **Guidelines**
- Have and operate within written policies and guidance in relation to payment or compensation for fundraising, both by the fundraising organization and by donors.
 - Sign a written contract or agreement with fundraisers in advance of the fundraising activity, even if a volunteer, in line with the agreed policy.
 - Ensure that there is a clear policy that fundraisers are not paid a commission by the donor for placement of a donation.
 - Monitor your cost of fundraising and keep within industry norms.
- ii. **Examples of Ethical Practice**
- Fundraisers do not receive any additional payment or commission for funds raised.
 - Fundraisers always declare any conflicts of interest (e.g., financial interest in a donating business or a personal relationship) to a current or prospective donor.
 - Fundraisers decline any offer of additional payment or incentive.
 - Declining to receive funds, which are only available if commission is paid to the fundraiser.
 - If in doubt about commission paid, check and clarify with the donor and explain policy.

iii. **Example of Unethical Practice**

- Accepting a commission or payment related to the amount of a donation.
- Accepting an incentive payment for placing a donation.
- Failing to have suitable agreements with fundraisers, which ensure compliance with organizational fundraising policies.

b. Fundraisers will not accept any gratuity when making decisions on behalf of the organization.

i. **Guidelines**

- Operate clear and strict policies and guidance against the receipt of gratuities, incentives or thank-you payments of any kind by staff or fundraisers.
- Brief staff and fundraisers regularly about the organization's policy against accepting gratuities, the reputational implications if a gratuity is accepted and the need to declare any such offer to their supervisor or line manager.
- Keep a log and written record of any offers of gratuities made.
- Ensure that all staff are aware that declaration of any such offer is as much for their own personal protection as it is for the protection of the organization.
- In general, representatives should make every effort to decline to accept gifts on behalf of the NGO/NPO; however, in cases where it would be considered ungracious to do so, it may be accepted, provided that: (1) the value of the gift is insignificant (e.g., below VND 500,000), (2) accepting the gift does not conflict with donor requirements, and (3) that the representative makes clear that the gift is being accepted on behalf of, and will be given to, the NGO/NPO.
- Gifts exempted from this policy include:
 - T-shirts, pens and other paraphernalia obtained, as members of the public, at events such as conferences, trainings and seminars that are offered equally to all participants;
 - Cards, thank you notes, certificates or other written thanks and recognition; and
 - Food, beverages and moderately priced meals or tickets to local events that are supplied by an also attended by current or potential partners and vendors or suppliers in the interest of building positive relationships. This moderately priced entertainment is provided as part of a working meeting or session to benefit and advance positive working relationships.

ii. **Examples of Ethical Practice**

- Fundraisers refuse any incentives, rewards or services in return for a donation or sponsorship received, either in cash or in kind.
- Fundraisers brief donors on the fundraising policy to make sure prospective donors are aware that no gratuities will be accepted and any offer will be reported and recorded.
- Fundraisers ensure that in-kind services or discounts are also not offered as a form of gratuity.
- When a NGO/NPO representative inadvertently accepts a gratuity (e.g., it is included in a sealed envelop that is unopened at the time of receipt), the representative must immediately inform a line manager and arrange for the earliest possible return of funds or request the contributor's explicit, written permission to allocate those funds to support the NGO/NPO.

- iii. **Example of Unethical Practice**
 - Acceptance of any gratuity or gift in relation to a donation or choice of donor/supplier.
 - Encouragement of, or suggestion to, a donor to offer a gratuity.
 - Failing to declare an offered gratuity or to record it.
 - Failing to return an unused in-kind gift to a donor (e.g., an unclaimed or unused raffle prize).

- c. Fundraisers will not seek or accept any personal payments, in cash or in kind, from a supplier of goods or services in recompense for business placed with that supplier.
 - i. **Guidelines**
 - Apply a clear policy and procedures for the procurement of goods or services.
 - The policy should specifically prohibit receipt of any payment, gratuity incentive or commission in relation to goods or services procured.
 - Obtain competitive and comparative quotations for all major purchases, and ensure the decision and/or contract to procure, and then to pay, is signed off by (i) a person with the authority to enter into transactions on behalf of the organization (e.g., the legal or authorized representative) and (ii) affixed with the seal of the organization (if any).
 - Inform suppliers that any attempt to incentivize purchases will result in that supplier being banned from future business.
 - Log and record any attempts to make incentive payments or pay commissions and ensure all staff are aware they must declare such offers.

 - ii. **Examples of Ethical Practice**
 - A clear and transparent procurement process is used, with records of competitive quotations kept along with the criteria used for selection of the supplier chosen.
 - The person who agrees to the procurement and selects the supplier is not the same person that is responsible for approving or authorizing the payment.
 - Declaration and logging of any attempt by a supplier to pay an incentive.

 - iii. **Example of Unethical Practice**
 - Accepting an incentive or reward payment from a supplier, whether in cash or in kind.
 - Soliciting an incentive or reward payment from a supplier.
 - Failing to declare an offer of such a payment.
 - Selecting a supplier in the expectation that a payment or offer may be made.

- d. Criteria that will qualify a fundraiser for performance-based remuneration must be agreed upon beforehand and should not be based on a percentage of the funds raised
 - i. **Guidelines**
 - Make sure paid fundraisers, if not salaried, are contracted to receive a fixed pre-agreed sum, unrelated directly to the amount raised. A pre-agreed fixed scale may however be used.
 - Write and operate clear policies and procedures related to fundraising and remuneration for fundraising.

ii. **Examples of Ethical Practice**

- Well-documented agreements or contracts are in place with all paid or volunteer fundraisers.
- The cost of fundraising is taken into account when agreeing levels of remuneration, and is maintained within industry norms.

iii. **Example of Unethical Practice**

- Paying commission based on a percentage of funds raised.
- Agreeing or negotiating a level of payment after funds have been raised.
- Paying a fundraiser additional amounts, in-kind or in services.

6. *Compliance with national laws.*

- a. NGOs/NPOs will object if their fundraising activities do not comply with applicable local, national or international laws. Fundraisers will not engage in activities that conflict with national and international legal obligations to their organization or to others. Moreover, they will avoid even the appearance of any criminal offence or professional misconduct.

i. **Guidelines:**

- NGOs/NPOs recognize that compliance with applicable laws and regulations is a clear standard and must be alert to new laws.
- NGOs/NPOs consult legal counsel, involved with their own organizations, either paid or volunteer regarding their contracts, practices and partnerships.
- NGOs/NPOs identify potential risks to their organization and fundraising activities and mitigation solutions.

ii. **Examples of Ethical Practice:**

- Keeping up with changes in applicable laws and regulations.
- Ensuring that reports, which are a part of regulatory requirements, are completed accurately and in a timely manner.
- Maintaining appropriate licensure, registration, or certification requirements.
- Filing copies of contracts where appropriate.
- Fully aware of potential risks to the organization.

iii. **Examples of Unethical Practice:**

- Inaccurately completing reports that are a part of regulatory requirements or completing the reports in such a way as to distort fundraising results or costs.
- Having knowledge of legal requirements and failing to comply.
- Having knowledge of potential risks to the organization and failing to address those risks.

INDEX OF TERMINOLOGY

1. **Administrative Expenses** - General and administrative expenses pertain to operation expenses rather than to expenses that can be directly related to programs and/or services. General and administrative expenses include rent, utilities, insurance and managerial salaries.
2. **Anonymity/Anonymous** - A donor or beneficiary may request to make a contribution or to receive a service without being named, identifiable or approachable in the future.
3. **Audit (Organizational/Program)** - a systematic and independent examination of an NGO's/NPO's books, accounts, documents and vouchers (or just one program operated by the NGO/NPO) to ascertain whether or not the financial statements present a true and fair picture of the operation. As a result of an audit, stakeholders may effectively evaluate and improve the effectiveness of risk management, control, and the governance process over the NGO/NPO.
4. **Bank Reconciliation** - a process performed by an organization to ensure that its own records ([general ledger account](#), [balance sheet](#), etc.) are correct and that the bank's records are also correct.
5. **Beneficiary** - a person(s), thing or group that derives a benefit from support and/or support services from one or more NGO/NPO.
6. **Bequest** - giving property by way of a will (e.g., Last Will and Testament)
7. **Board of Directors** - The board of directors is the body responsible for governing an organization. It makes sure that the NGO/NPO has what it needs to carry out its mission, and that it does so legally, ethically and effectively.
8. **Campaign** – a targeted strategy to raise funds for an NGO/NPO and/or one of its programs.
9. **Client Relationship Management (CRM) System** - practices, strategies and technologies that NGOs/NPOs use to manage and analyze stakeholder (i.e., beneficiaries, donors, volunteers) interactions and data with the goal of improving relationships, assisting in stakeholder retention and driving organizational growth.
10. **Code of Conduct** - a set of principles outlining social norms, rules and responsibilities of, or proper practices for, all staff and representatives of an NGO/NPO.
11. **Commission** – compensation that is based on the achievement of specific targets. When the salary of a staff member that is involved in fundraising is composed in part or in whole on a percentage of the money he/she raises. While commission-based fundraising is legal, it is generally considered to be a bad practice and/or unethical.
12. **Competitive and Comparative (Quotation)** – Before buying a product or service, the NGO/NPO would seek out cost estimates from different suppliers or service providers. By requesting several quotations, the organization can make a decision
13. **Compliance** – conforming to a rule, such as a policy, standard or law.
14. **Conditional Contributions** – a barrier that must be overcome before a promised gift becomes a contribution.
15. **Confidential** – information that is spoken, written or acted upon in strict privacy or secrecy (i.e., limiting access to information or documents as may be requested and agreed upon with a stakeholder)
16. **Confidentiality Agreement** - a legal contract between at least two parties that outlines confidential material, knowledge, or information that the parties wish to share with one another for certain purposes, but wish to restrict access to or by third parties.
17. **Conflicts of Interest** - a situation in which a person or organization is involved in multiple interests, financial, personal or otherwise, one of which could possibly influence the motivation of the individual or organization (i.e., an accountant engaging a family member to perform audit services for the NGO/NPO).
18. **Contingency Fees** - any fee for services provided where the fee is payable only if there is a favorable result (i.e., a payment to a fundraising professional as a result of a donor making a grant).
19. **Debrief/Debriefing** – to review or discuss the process and outcomes of a completed meeting, event or project.
20. **Deferred** – to postpone (a contribution) to a later time.
21. **Disclose/Disclosure** – to make something known, which was previously secret or unknown information.

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22. **Discounted Present Value** – the current worth of a future sum of money or stream of cash flow given a specified rate of return.
23. **Explicit (Consent)** - when a stakeholder clearly and directly communicates permission for the NGO/NPO to do something.
24. **Financial Interest** - anything of monetary value, including, but not limited to, salary, consulting fees, honoraria, equity interests, interests in real estate or personal property, dividends, royalties, rent capital gains, intellectual property, etc.
25. **Financial Statements** - a formal record of the financial activities and position of an NGO/NPO. The standard contents include a balance sheet, income statement and cash flow statement.
26. **Finder's Fees** - a commission paid to the facilitator of a transaction (e.g., a fundraising professional). The payment is offered because the individual “discovered” the donor and facilitated a first time donation to the NGO/NPO.
27. **Free Choice** – a choice that is made (e.g. the decision to make a contribution) without the use of deception, pressure, harassment, intimidation or coercion.
28. **Fundraiser** – a person who helps to gather voluntary contributions of money or other resources for an NGO/NPO by requesting donations or grants from individuals, businesses, charitable foundations or government agencies.
29. **Gift Agreements** – a formal agreement between a donor and an NGO/NPO regarding a voluntary contribution of money or other resources.
30. **Gratuities** – a sum of money that is offered or tendered, which is not the salary, to an employee (or consultant) after a service is performed.
31. **In-Kind Contribution (or Gift)** – a donation of goods or services, which does not involve money.
32. **Incentive** – a payment or concession to stimulate greater output or investment (of effort).
33. **Industry Norms** - Generally accepted requirements followed by the members of an industry (e.g., NGO/NPOs).
34. **Interest-Bearing** – Investments, such as bonds and certificates of deposit, that pays regular, periodic interest.
35. **Irrevocable** – Irrevocable gift arrangements are completed transfers of assets to an NGO/NPO that cannot be changed or undone by the donor.
36. **Irrevocable Unconditional Deferred Contribution** – a gift arrangement for which the payment is delayed until a future date but which cannot be changed or undone by the donor.
37. **Legal Counsel** – a person who gives advice and deals with various issues, particularly in legal matters (e.g., a lawyer).
38. **Legally Enforceable (contract)** – the law gives a remedy, or recognizes as a duty for its performance or any breach of performance. (A contract between two or more parties that is mutually agreed upon.)
39. **Line Manager / Supervisor** - a person with direct managerial responsibility for a particular employee.
40. **Memorandum of Understanding (MOU)** - a formal agreement between two or more parties. Though not legally enforceable, MOUs are frequently used by NGOs/NPOs to guide partnerships.
41. **Misconduct** - unacceptable or improper behavior, especially by an employee or professional person.
42. **Mitigation** - an approach to reducing risk, impact severity or the probability of a negative occurrence.
43. **Narrative Report** – a written description of one or more program, which details the key activities, achievements (outputs, outcomes), challenges and lessons learned.
44. **NGO** – The acronym is short for non-governmental, not-for-profit organization, which uses its surplus revenues to further achieve its purpose or mission, rather than distributing its surplus income to the organization's shareholders (or equivalents) as profit or dividends. Throughout this document, NGO refers to international not-for-profit organizations that are operating in Vietnam.
45. **NPO** – The acronym is short for not-for-profit organization, which uses its surplus revenues to further achieve its purpose or mission, rather than distributing its surplus income to the organization's shareholders (or equivalents) as profit or dividends. Throughout this document, NPO refers to Vietnamese not-for-profit organizations.
46. **Payment Order** – a directive that is sent to a bank, or other financial institution, from a bank account holder instructing the bank to make a payment (or a series of payments) to a third party.
47. **Payment Voucher** - A document that can be used as proof that a monetary transaction has occurred between two parties.

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48. **Performance Based Compensation/ Bonus/Increase** – an incentive based form of compensation where a salary or wage is determined based on how well a service is performed rather than the service itself.
49. **Pledge** – a promise that is made to donate to an NGO/NPO at a later date.
50. **(Beneficiary/Donor) Privacy** - the ability of a beneficiary or donor to keep their information private. In regards to an NGO/NPO, it can set standards for the secure use of personal donor and beneficiary data, including but not limited to protection of contact information and details about the history of their relationship with the NGO/NPO.
51. **Privileged (Information)** - secret information that is legally protected so that it does not have to be given to the public.
52. **Procurement** – the act of acquiring or buying equipment, supplies, other goods or services on behalf of an NGO/NPO.
53. **Protocols** - a system of established rules that explain the correct conduct and procedures to be followed in certain situations (e.g., recording of income).
54. **Receivable** - the money owed to an NGO/NPO by one or more outside entities.
55. **Reclassification** - moving an expense amount from one general ledger account to another (e.g., from administrative supplies to marketing supplies).
56. **Remuneration** – money paid for performing work or an agreed upon service (see compensation).
57. **Restricted (Funds)** - A donation that can only be used for a specific purpose or purposes as designated by the donor.
58. **Revocable** – a contribution of funds (or a commitment to contribute funds) that can be altered or cancelled dependent on the donor.
59. **Reward Payment** - a sum of money that is offered or tendered, which is not the salary, to an employee (or consultant) after a service is performed. *Similar to a gratuity.*
60. **Self-Regulated Code** – guidelines (or code of conduct) that are controlled or monitored by the organization that applies them itself (to follow the guidelines or code on a voluntary basis).
61. **Soliciting** – to ask for or try to obtain (something) from someone.
62. **Stakeholders** – individuals or groups that can affect or be affected by the NGOs/NPOs actions, objectives and policies (e.g., beneficiaries, donors, volunteers, staff, community members).
63. **(Donor) Stewardship** - progressively building deeper relationships with your donors by, for example, thanking, communicating, and interacting with them in ways that solidify their support over time.
64. **Subcontractor** - a person or company who is hired by a NGO/NPO to perform a specific service(s) and is normally paid for the service(s) provided.
65. **Unambiguous** – clear, not open to more than one interpretation.
66. **Unauthorized** – not having official permission or approval
67. **Unclaimed** – Not demanded or requested as being something one has a right to (e.g., an unclaimed raffle prize).
68. **Unconditional** – not limited in any way.
69. **Unreasonable (Profit)** – beyond the limits of acceptability or fairness.
70. **Unrestricted (Funds)** - donations that are available for the NGO/NPO to use for any purpose. Unrestricted funds may be used to support operating expenses of the organization or to a particular project that is underfunded.
71. **Vendor Transactions** – an exchange or transfer of goods, services or funds between a service provider (vendor) and the NGO/NPO.
72. **Verbal Pledge** – an oral promise to make a donation (to an NGO/NPO).
73. **Verified (Data)** – demonstrate that something (i.e., data) is true, accurate or justified.

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