self governance procedures & practices at MAKNA

BBB WISE GIVING ALLIANCE
the Council Of Better Business Bureaus

http://www.bbb.org/us/wise-giving

- The BBB Wise Giving Alliance helps donors make informed giving decisions and promotes high standards of conduct among organizations that solicit contributions from the public.
- For a complimentary copy of the Wise Giving Guide email at jlewis@council.bbb.org
  Or write to:
  Wise Giving Guide
  3033 Wilson Blvd, Suite 600
  Arlington, VA 22201
BBB Mission:
BBB’s mission is to be the leader in advancing marketplace trust. BBB accomplishes this mission by:
- Creating a community of trustworthy businesses
- Setting standards for marketplace trust
- Encouraging and supporting best practices
- Celebrating marketplace role models, and;
- Denouncing substandard marketplace behavior

GOVERNANCE & OVERSIGHT
The governing board has the ultimate oversight authority for any charitable organization. This section of standards seeks to ensure that the volunteer board is active, independent and free of self-dealing.
To meet these standards, the organization shall have:
the standards are explained here**
FINANCE

- This section of the standards seeks to ensure that the charity spends its funds honestly, prudently and in accordance with statements made in fundraising appeals.
- To meet these standards, the charitable organisation shall:

  see next page

**Spend at least 65% of its total expenses on program activities - formula:**

\[
\frac{\text{Total Program Service Expense}}{\text{Total Program Service Expense}} \geq 65\%
\]

**Spend should be no more than 35% of related contributions on fundraising - formula:**

\[
\frac{\text{Total Fund Raising Expense}}{\text{Total Related Contributions}} \leq 35\%
\]
MAKNA Finance Reports/Updates

- Audited by PricewaterhouseCoopers
- Submit Annual financial report to ROS
- Submit Annual financial report LHDN
- Submit Annual financial report Min of Finance

FINDINGS — New Sunday Times January 22, 2006

Tightening the screws

ROS to make fund-raising more accountable

What others say
Guidelines on fund-raising

1. No meetings are allowed to raise funds for the particular organization/social association fund raising.
2. These usage fund needed to provide an identification membership card as well as the authorization letter from the authorities as well as the organization permitting him or her to raise funds.
3. Fund raising should be above 18.
4. An approval must be obtained from the relevant authorities if the purpose was related to matters under the particular ministry’s jurisdiction.
5. No one should be compelled to donate.
6. All donations received must be acknowledged by a receipt.
7. If possible, the expenses incurred in the fund-raising should not exceed one-tenth of the collection made.
8. For donations exceeding RM1,000, official receipts should be issued within three days.
9. An audited statement of accounts should be sent to the treasurer within three months from the last day of collection.
10. Each organization is only allowed to undertake one fund raising activity per year. The fund raising duration cannot exceed one month.

What others say

An official with a youth organization in Petaling Jaya will have been raising funds all these years on an ad hoc basis. Whenever this is done, we give the donors an official receipt bearing the association’s registered name and address. All members are accounted for at our annual general meeting.

An official raising funds for a Hindu temple in Malacca will be aware that we need to get approval to raise funds. There are checks and balances in place and our books are audited by qualified auditors who are members of the congregation.

The authorities might want to audit some private old folks’ homes and orphanages on how they utilize public funds.

Some of the managers drive luxury cars and send their children abroad for studies. Malaysian Trade Union Congress secretary-general P. Rajeswaran expressed:

The Trade Union Act regulates all our fund-raising activities. After the fund-raising campaign, there must be a written report. We also look at how the funds are disbursed.

A volunteer with a private old folks’ home in Penang will rarely carry out fund-raising activities because the donations we receive are sufficient, but we know of cases where a dubious home springs up and the next thing you know is an official asking for funds. There are many such cases and the authorities should carry out more enforcement.
AND???

WHAT HAPPENED NEXT?
WHAT WAS THE OUTCOME?