

Avivará - Standards for Charity Accountability

PREFACE

Avivará has committed to adhering to the *Standards for Charitable Accountability* as established by the Better Business Bureau (BBB) Wise Giving Alliance. Those standards were developed to assist donors in making sound giving decisions and to foster public confidence in charitable organizations. The standards seek to encourage fair and honest solicitation practices, to promote ethical conduct by charitable organizations and to advance support of philanthropy.

The overarching principle of the BBB Wise Giving Alliance Standards for Charity Accountability is full disclosure to donors and potential donors at the time of solicitation and thereafter. The standards also recommend ethical practices beyond the act of disclosure in order to ensure public confidence and encourage giving. As voluntary standards, they also go beyond the requirements of local, state and federal laws and regulations.

The Standards for Charity Accountability were developed with professional and technical assistance from representatives of small and large charitable organizations, the accounting profession, grant making foundations, corporate contributions officers, regulatory agencies, research organizations and local BBBs. The BBB Wise Giving Alliance also commissioned significant independent research on donor expectations to ensure that the views of the general public were reflected in the standards.

Avivará is committed to being in compliance with the following Wise Giving Alliance Standards for Charitable Accountability and provides on its website, www.avivara.org documentation that it has met those standards in regards to:

- How the organization is governed,
- How the organization solicits, receives and expends its money,
- The truthfulness of its representations, and
- Its willingness to disclose basic information to the public.

STANDARDS FOR CHARITABLE ACCOUNTABILITY

GOVERNANCE AND OVERSIGHT

- 1. The organization has a board of directors that provides adequate oversight of the charity's operations and its staff.**

Avivará complies with this standard by having a Board of Directors that:

- a. Meets a minimum of three times per year with a majority in attendance with face-to-face participation. Where and when necessary, a conference call or email communication between board members can substitute for one of the three meetings.
 - b. Conducts annual performance evaluations of the Executive Director
 - c. Approves the annual operating budget
 - d. Reviews and approves fund-raising practices
 - e. Develops and approves policies which include the following:
 - i. Conflict of Interest Policy
 - ii. Privacy & Communications Policy
 - iii. Non-Discrimination, Equality & Diversity Policy
 - f. Reviews organizational accounting procedures necessary to safeguard the organizations financial resources.
- 2. Not more than one or 10% (whichever is greater) directly or indirectly compensated person(s) shall serve as voting member(s) of the board. Compensated members shall not serve as the board's chair or treasurer.**
- a. Currently, all members of the Avivará Board of Directors serve in a volunteer capacity without remuneration.
 - b. The Executive Director of Avivará also serves in a volunteer capacity without remuneration.
- 3. All transaction(s) in which any board or staff members has a material conflicting interests with the charity resulting from any relationship or business affiliation shall be governed by the organization's Conflict of Interest Policy.**

Factors that the Avivará Board of Directors and/or Administrative Staff consider when concluding whether or not a transaction constitutes a conflict of interest and if such a conflict is material, include, but are not limited to:

- a. Arm's length procedures for the determination of grant and scholarship awards, the purchase of all materials and supplies, and determination of employee compensation;
- b. The size of the transaction relative to the total expenses of the organization;
- c. Whether an interested party participated in a Board vote or administrative decision on the transaction;
- d. If competitive bids and/or fair market comparisons were sought; and
- e. Whether the transaction is one-time, recurring or ongoing.
- f. Annual distribution and review of the Avivará Conflict of Interest Policy by the Board and Executive Director.

MEASURING EFFECTIVENESS

- 4. The Board of Directors completes an assessment, no less than every two years, the organization's performance and effectiveness and of determining future actions required to achieve its mission.**

To facilitate an annual assessment of organizational effectiveness, the Avivará Board of Directors takes the following actions:

- a. Face-to-face meetings with key administrative staff twice a year.
 - b. Review and approval of an annual report prepared by the administrative staff which includes descriptions of organizational accomplishments, program accomplishments, current financial status, and goals for the upcoming year.
 - c. Review and approval of an annual budget that is consistent with the mission and values of the organization.
 - d. Completion of an annual performance evaluation of the organization's Executive Director.
- 5. Submit to the organization's governing body, for its approval, a written report that outlines the results of the aforementioned performance and effectiveness assessment and recommendations for future actions.**

Avivara meets this standard by the completion and submission of a comprehensive report to the Board of Directors by the administrative staff which includes:

- a. A description of its organizational accomplishments over the prior year;
- b. A description of its program activities and the compiled results of evaluations of those activities by program recipients;
- c. A detailed annual financial statement;
- d. A proposed budget for the upcoming year based on;
- e. Recommendations for organizational, programmatic and fund-raising goals for the upcoming year.

FINANCES

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

6. Spend at least 65% of its total expenses on program activities.

It is the stated goal of Avivará to spend 90% of its total expenses on program activities. The percentage of its total expenses spent on program activities since its inception has been closer to 91%, which clearly exceeds the BBB standard of 65%

7. Spend no more than 35% of related contributions on fund raising.

Since its incorporation as a non-profit charitable organization in February of 2008 through the end of 2016, Avivará has spent approximately 7.5% of its total related contributions on fundraising. (Related contributions include donations, legacies, and other gifts received as a result of fund raising efforts.) Again, this percentage is substantially and favorably less than the standard (35%) established by the BBB.

- 8. Avoid accumulating funds that could be used for current program activities. To meet this standard, the charity's unrestricted net assets available for use should not be more than three times the size of the past year's expenses or three times the size of the current year's budget, whichever is higher.**

It is the current goal of Avivará to maintain a minimum operating reserve (unrestricted net assets available for use) equal to approximately 50% of its annual operating budget. At the end of 2016, that operating reserve was equal to approximately 55% of its operating budget for the upcoming year.

- 9. Make available to all, on request, complete annual financial statements prepared in accordance with generally accepted accounting principles.**

Avivará places in a prominent place on its website the following documents, all of which have been prepared in accordance with generally accepted accounting principles (and for all transactions in Guatemala, audited by a licensed public accounting firm):

- a. A summary annual financial statement including income statement and balance sheet.
 - b. A copy of its 501(c)(3) public charity annual 990 tax return to the Internal Revenue Service.
 - c. Information on how to obtain detailed financial statements.
- 10. Include in the financial statements a breakdown of expenses (e.g., salaries, travel, postage, etc.) that shows what portion of these expenses was allocated to program, fund raising, and administrative activities.**

Avivará meets this standard in both its summary and detailed financial reports, both of which are readily available for public inspection.

- 11. Accurately report the charity's expenses, including any joint cost allocations, in its financial statements.**

Avivará meets this standard in both its summary and detailed financial reports, both of which are readily available for public inspection.

- 12. Have a board-approved annual budget for its current fiscal year, outlining projected expenses for major program activities, fund raising, and administration.**

The Avivará Board of Directors approves the annual operating budget for the upcoming fiscal year at its regularly scheduled December meeting.

FUND RAISING AND INFORMATIONAL MATERIALS

A fund raising appeal is often the only contact a donor has with a charity and may be the sole impetus for giving. This section of the standards seeks to ensure that a charity's representations to the public are accurate, complete and respectful. To meet these standards, the charitable organization shall:

13. Have solicitations and informational materials that are accurate, truthful and not misleading, both in whole and in part.

One of the four core values of Avivará is the transmission of complete, truthful and clear communications with its various publics.

Avivará solicits and generates funds for its charitable programs through the following mechanisms:

- a. Personal contact with donors through small fund-raising gatherings
- b. Presentations to schools, churches and other community philanthropic organizations
- c. Press releases regarding Avivará and its affiliates' activities
- d. On-line solicitations through its website and email campaigns
- e. Sale of Guatemala Craft Items
- f. Participation in community events and festivals

All appeals using these venues clearly describe the primary programs of Avivará in Guatemala: School Improvement Programs, Scholarships, and After-School Learning Centers. In-depth descriptions of these programs, the recipients in the programs and the criteria for distributing resources to program recipients are readily available on the Avivará website.

The Annual Report of Avivará (also available for public inspection on the Avivará website) and the regular newsletters of Avivará substantiate the scope and nature of its expenditures in accordance with what has been stated, expressed or implied in its solicitation materials.

14. Have an annual report available to all, on request, that includes:

- a. **the organization's mission statement,**
- b. **a summary of the past year's program service accomplishments,**
- c. **a roster of the officers and members of the board of directors,**
- d. **financial information that includes (i) total income in the past fiscal year, (ii) expenses in the same program, fund raising and administrative categories as in the financial statements, and (iii) ending net assets.**

Avivará makes readily available on its website, an annual report which meets all the criteria listed above.

15. Include on any charity websites that solicit contributions, the same information that is recommended for annual reports, as well as the mailing address of the charity and electronic access to its most recent IRS Form 990.

Avivará meets this standard by making readily available on its website on the page entitled “Corporate Documents” links to all Avivará incorporation documents in both the United States and Guatemala, all Avivará policies, and all Avivará Annual Reports and 990 tax returns.

16. Address privacy concerns of donors by:

- a. providing in written appeals, at least annually, a means (e.g., such as a check off box) for both new and continuing donors to inform the charity if they do not want their name and address shared outside the organization, and**

It is the stated policy of Avivará to never share personal information with outside organizations without the expressed consent of the person involved. (Please see the Avivará Privacy and Communications Policy Statement.)

- b. providing a clear, prominent and easily accessible privacy policy on any of its websites that tells visitors (i) what information, if any, is being collected about them by the charity and how this information will be used, (ii) how to contact the charity to review personal information collected and request corrections, (iii) how to inform the charity (e.g., a check off box) that the visitor does not wish his/her personal information to be shared outside the organization, and (iv) what security measures the charity has in place to protect personal information.**

The Avivará Privacy and Communications Policy (located on the Avivará website) addresses all of the above-mentioned issues.

17. Clearly disclose how the charity benefits from the sale of products or services (i.e., cause-related marketing) that state or imply that a charity will benefit from a consumer sale or transaction. Such promotions should disclose, at the point of solicitation:

- a. the actual or anticipated portion of the purchase price that will benefit the charity (e.g., 5 cents will be contributed to abc charity for every xyz company product sold),**
b. the duration of the campaign (e.g., the month of October),
c. any maximum or guaranteed minimum contribution amount (e.g., up to a maximum of \$200,000).

Avivará does supplement its charitable contributions through the sale of Guatemala Craft Items, with these sales occurring in conjunction with other fund-raising activities such as presentations or school/community events. All proceeds from the sale of these items, minus the cost of the goods sold (i.e., purchase price, delivery & transportation costs, or other related costs) goes directly to support the charitable programs of Avivará.

In addition, Avivará does offer its SAGE (Service and Study Abroad in Guatemala) program, which is a fee-for-services program intended to be self-sustaining. No tax-deductible contributions received by Avivará are used to fund this program, and any net revenues from

this program go toward funding the charitable programs of Avivará. It should also be noted that Avivará is a member in good standing of the Forum on Education Abroad and adheres to the ethical and operational standards for study abroad programs as established by that organization.

18. Respond promptly to and act on complaints brought to its attention by the BBB Wise Giving Alliance and/or local BBBs about fund raising practices, privacy policy violations and/or other issues.

At the present time Avivará has not been established long enough to qualify for inclusion in the list of organizations approved by the Better Business Bureau Wise Giving Alliance. (That requires four years of being in existence.) However, we have chosen to adhere to the Wise Giving Alliance Standards as evidence of our commitment to be an honest, professional and responsible non-profit charitable organization. Any concerns or complaints may be brought to our attention through the [Contact Us](#) link on our website, or by writing to us at:

**Avivara
7202 33rd NW
Seattle, WA 98117**

We will address those concerns in a prompt and respectful manner, seeking to positively resolve any complaints or concerns brought to our attention.

These standards/guidelines were formally approved by the Avivara Board of Directors on December 19, 2009