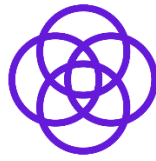


**Charity  
Monitoring  
Worldwide**



# **CMW Principles**

for Charity Assessment

## CMW Principles for Charity Assessment

### What are the CMW Principles about?

The principles are to help CMW members set standards, evaluate charities against those standards, and report the result to the public.

### What is the goal?

The goal is that trustworthiness has been determined in a fair and credible manner.

### What is covered by the CMW Principles?

The shared principles address the following main topics:

1. How to set standards for trustworthy charities
2. How to assess charities if they are trustworthy
3. How to inform on the result of such assessment

### 1. CMW Principles on the standard setting for trustworthy charities

1.1 In order to give confidence to donors that donations are used for the purposes for which they are given and that a monitored charity is trustworthy, a set of standards for charities should address the following key areas:

1. **Public Benefit:** The standards require non-profit organizations to ensure their activities are directed to fulfill a mission which is dedicated to the public benefit.
2. **Governance:** The standards require charities to have an active governing body and effective supervisory structures which fulfill their responsibilities and act with the necessary independence.
3. **Finances:** The standards require charities to regularly provide financial information which is complete and accurate. The financial information should provide a true and fair view of the financial position and results of the operations of the charity.
4. **Efficiency:** The standards require charities to be transparent about their costs for fundraising and overhead.
5. **Effectiveness:** The standards require that charities regularly assess the result of their activities (performance and/or effectiveness) or at least that the monitoring organization promotes effectiveness evaluation.
6. **Integrity:** Standards require charities to act with integrity, that their fundraising and other practices are ethical, and their communication is truthful, accurate and neither misleading nor aggressive.
7. **Transparency:** Standards require charities to make comprehensive, useful and valid information about their background, finances, activities and results freely available to the public.

1.2 In order to ensure the standards are credible, that they will be broadly accepted, that they can be met by charities, and that the monitoring organization is able to enforce them, the following formal principles should be respected:

1. Charity monitoring organizations should develop standards for charities using a multi-stakeholder approach.
2. The standards for charities should exist in writing.
3. Charity monitoring organizations should approve their own standards for charities and publish them.
4. Charity monitoring organizations should periodically review the standards for charities based on their experiences and if necessary adjust them using a multi-stakeholder approach.

## **2. CMW Principles on the Assessment of Charities**

In order to make sure the assessed charities are treated fairly, charity monitoring organizations should follow these principles when they assess charities:

1. The assessment is made against a set of standards which are indicative of trustworthy charities.
2. The assessment follows a structured process, which is similar for similar charities.
3. The assessment is based on current information about the charity.
4. The assessment is carried out by trained assessors who are not related to the monitored charity.
5. The assessors act as staff, volunteers or on direct behalf of the monitoring organization and report to it.
6. All assessors apply the same comprehensible assessment criteria in the same situation.
7. The assessment and its outcome are comprehensively documented.
8. The monitoring organization reviews the assessment and its result to assure the quality of the assessments.
9. When a standard is not met in full, the monitored charity has the opportunity to provide additional information and to comment on the outcome of the assessment
10. The final judgment as to whether or not the standards are met is based on the result of the assessment and is taken by the monitoring organization or a body established by it. Only people who are not related to the monitored charity shall have a vote. There must be an appeal process, which is disclosed to the assessed charities.
11. The monitoring organization does re-assess a monitored charity's compliance on a regular basis based on their capacity, with a recommended re-assessment process every 2 years.
12. The monitoring organization may or may not charge fees to the charity but must ensure that there is no conflict of interest that limits the objective assessment of the charities.
13. The monitoring organization regulates the reconsideration of its final decision.
14. The monitoring organization reviews its assessment process and regulations periodically.

### **3. CMW Principles regarding informing the public about the result of the assessment**

Monitoring organizations should follow these principles, when they publish the result of the assessment:

1. Monitoring organizations publish the standards for charities, so donors are informed what the monitoring organization demands from trustworthy charities.
2. Monitoring organizations disclose the assessment process and fees that apply, so donors are informed of the assessment process and the relationship between the monitor and the charity.
3. Monitoring organizations should publish the result of their assessment in such a way that donors can identify those charities which have been assessed successfully and met the standards (e.g. seal, report, list).
4. If a charity has gone through a complete assessment and does not meet one or more of the standards and the report will be published, then the charity should be given the opportunity to comment on the findings of the report.
5. Monitoring organizations inform charities before the assessment of how the results will be published.
6. Monitoring organizations do not publish rankings or ratings to compare charities.