

## CHARITY GOVERNANCE

## Reserves management is key

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IN CHALLENGING times, charities are all the more expected to draw on their reserves to meet costs. This means they will need to think through their reserves policy to help them manage cash flow, plan and invest, said Mrs Fang Ai Lian, chairwoman of the Charity Council, yesterday.

The council, which advises the Commissioner of Charities, released its inaugural charity governance report yesterday. This shows the findings on the adoption of key Code of Governance guidelines by the charities, based on an online evaluation checklist, which the charities have until the end of March to complete. Come April, all Institutions of a Public Character (IPCs) will be required to publicly disclose their checklist.

Of the near 2,000 charities in Singapore, 81 per cent have participated in the checklist so far. Of which, only 58 per cent have disclosed their reserves policy. The rest are either in the process of doing so or have limited or no reserves.

The report found 87 per cent of large IPCs have a board-approved policy

## SMALL CHARITIES TO SHARE SERVICES, RESOURCES

To help small charities enjoy the benefits of professional help without paying too much, the Charity Council will launch a Shared Services programme later this year.

The pilot programme will start with shared services in finance and accounting.

Charities that do not have the manpower can outsource such services, allowing them to enjoy economies of scale, said Mrs Fang

on investment of reserves, with input from qualified professional advisers.

Given the current economic climate, most IPCs TODAY spoke to said they would put their reserves in fixed deposits.

Singapore Children's Society chairman Koh Choon Hui said they have a six-member investment committee to decide on the mix of investments — such as fixed deposits or fixed income securities — for their \$25 million in reserves. Safeguards include consulting a professional fund manager and having their capital guaranteed.

As for the Singapore Heart Foundation with \$4.2 million in reserves, it consults an investment firm on safe

Ai Lian, chairwoman of the Charity Council.

In addition to holding networking sessions for charities to share best practices, the council wants to engage more professional associations to help charities develop higher standards of governance.

One of them, the Law Society is looking at having its members adopt charities and offer pro-bono legal services. ALICIA WONG

investments, which are mainly in blue-chip companies.

The council said the overall median governance evaluation score of 87 per cent was satisfactory, but there's room for improvement. For instance, only 56 per cent had a conflict of interest declaration. Mrs Fang said while there is "trust and confidence all around" in charities, they need to formalise such policies.

The remaining 19 per cent which have yet to submit their checklist are largely religious groups which lack IT-skills or face a language barrier. The council is getting them to submit hard copies instead, and is working on a Mandarin translation of the checklist.

## A DATE AT ZOUK



Despite the downturn, one local nightspot isn't allowing the recession to affect their charitable contributions. For the 14th year running, Zouk opened its doors to more than 100 elderly from Tanjong Pagar, treating them to an eight-course lunch. The seniors also each received \$80 hongbaos, distributed by managing director Lincoln Cheng (centre), along with his wife Adeline, Zouk's director Shaw Vee King and guest of honour, Minister of State for Defence and MP for Tanjong Pagar GRC Koo Tsai Kee. GENEVIEVE LOH