



# InterAction PVO Standards



## INTERACTION MISSION STATEMENT

InterAction, a membership association of U.S. private voluntary organizations (PVOs), exists to enhance the effectiveness and professional capacities of its members engaged in international humanitarian efforts.

Further, InterAction exists to foster partnership, collaboration, leadership, and the power of this community to speak as one voice as we strive to achieve a world of self-reliance, justice, and peace.

To realize this mission, InterAction works to:

- § Enhance the identity, autonomy, credibility, and diverse perspectives of each member agency;
- § Provide a broadly based, participatory forum for professional consultation, coordination, and concerted action;
- § Foster the effectiveness and recognition of our community both professionally and publicly;
- § Set a standard of the highest ethics in carrying out our mission.

## InterAction Statement of Commitment

We are committed to:

- § Advocating and fostering human dignity and development;
- § Striving for world justice through programs of economic and social development, relief, and reconstruction;
- § Ameliorating the plight of refugees and migrants through relief, protection, settlement in place, voluntary repatriation, or resettlement to a third country;
- § Helping people help themselves;
- § Building public awareness and understanding as a necessary prerequisite for humanitarian assistance;
- § Initiating a dialogue on public policy issues of importance to the membership;
- § Being accountable to our individual constituencies, the American public, and the people we strive to assist;
- § Respecting the diversity of perspectives and methods of operation of member agencies as a source of strength and creativity;
- § Working in a spirit of collaboration and partnership as the most effective way to achieve common objectives;
- § Encouraging professional competence, ethical practices, and quality of service.

For information on how your organization can become a member of InterAction, contact Member Relations at (202) 667-8227.

## Preface

Under a 1992 agreement worked out among members, all existing and prospective InterAction member organizations have had to certify compliance with the newly adopted PVO Standards (Standards) as of January 1994. At the end of every calendar year, each InterAction member is asked to review the Standards and re-certify compliance.

Intended to ensure and strengthen public confidence in the integrity, quality, and effectiveness of member organizations and their programs, the standards were created when the overseas work of PVOs was dramatically increasing in scope and significance. Defining the financial, operational, and ethical code of conduct for InterAction and its member agencies, these high and objective standards, self-applied, set InterAction members apart from many other charitable organizations. Indeed, in various aspects, the InterAction PVO Standards exceed the prevailing standards of the Better Business Bureau and the National Charities Information Bureau.

Gender and diversity amendments to the standards, which became effective in January 1998, grew from the realization that organizations need to diversify their boards and staff in order to become more effective and credible as they implement programs serving a widely diverse population overseas.

*Some history:* The Standards were born at a meeting of the InterAction executive committee in March of 1989. Kenneth Phillips, then president of Childreach, urged InterAction to develop a set of ethical standards covering governance, financial reporting, fundraising, public relations, management practice, human resources, public policy, and program services. The effort was initiated in recognition of both the growing size and consequence of the programs of InterAction members and the significance of the members publicly committing themselves, as a community, to a reliable means to ensure the public's trust.

Between 1990 and 1992, a PVO Standards Committee representing a cross-section of InterAction agencies met frequently and circulated several drafts of each section to the full membership. The Standards were unanimously approved at the November 5, 1992 InterAction board meeting. Self-certification began in 1993 and requires the CEO and/or board chairperson of each InterAction member to certify that his/her agency is in compliance with the agreed upon standards, or, where it is not in compliance, to indicate what steps they have committed to take to attain compliance. The self-certification process continues to involve active dialogue between the elected PVO Standards Committee and the members. An interpretive guide is included at the back of this document, and InterAction maintains a resource center of relevant materials for use by the members.

InterAction is especially indebted to Ken Phillips, who served as InterAction's elected chairman of the board and of the executive committee from November 1990 through November 1992, for his vision and for the skillful way in which he guided the open process to assure full involvement of InterAction's membership.

We wish also to commend the consultant to the PVO Standards Committee, Barkley Calkins, for his diligence in directing the entire process, which continues today as the Standards evolve. His ability to work with the members, to develop early drafts, and to explain the intended process is very helpful in this important, yet delicate, area.

InterAction proudly heralds the Standards to the larger PVO community, to the media, to donors, and to the international community itself. We are indebted to the Rockefeller Brothers Fund, most notably to its program officer William Moody, for its financial support and leadership in fostering this important process.

InterAction's PVO Standards have directly and significantly influenced the standards-setting processes of comparable groups in Canada, Japan, Asia, Eastern Europe, and Central Europe. Thus,

in addition to reinforcing public confidence in our own members, we are pleased to note InterAction's leadership in facilitating the increasing adoption of open and transparent financial, operational, and ethical standards among NGOs in numerous other countries.

# InterAction PVO Standards

## 1.0 Preamble

- 1.1 InterAction, a membership association of U.S. private voluntary organizations, exists to enhance the effectiveness and professional capacities of its members engaged in international humanitarian efforts.
- 1.2 InterAction adheres to the highest ethical standards in carrying out its mission. We are committed to encouraging professional competence, ethical practices, and quality services.
- 1.3 Each member organization shall adhere to those unique principles of governance, volunteer involvement, support from the private sector, fundraising, service, and programs that enable it to be accurately described as a private and voluntary organization.

## 2.0 Governance

- 2.1 A member organization shall be governed fairly, impartially, and responsibly by an independent board of directors and its duly constituted executive committee.
- 2.2 Each organization shall have an independent, active, and informed board of directors, serving without compensation. The board shall have policies that specify the frequency of board meetings (at least two per year) and adequate attendance by directors (at least a majority, on average). The board may designate an executive committee to act in its place as long as the executive committee has policy-making authority. The board shall have policies restricting the number of employees who are voting members of the board; providing limits for directors being related to one another, the founder, or the executive director; and establishing limited terms of service for directors and officers.
- 2.3 The board shall adopt a policy that prohibits direct and indirect conflicts of interest by members of the board, employees, and volunteers. Board members, employees, and volunteers shall make known to the board any affiliation they might have with an actual or potential supplier of goods and services, recipient of grant funds, or organization with competing or conflicting objectives. Board members and employees shall absent themselves from discussion and abstain from voting or otherwise participating in the decision on any issue in which there is a conflict of interest. Large or otherwise inappropriate gifts to board members or staff for personal use shall be forbidden.
- 2.4 Though the board may delegate to staff, it must accept ultimate responsibility for governance over all aspects of the organization.
- 2.5 The board shall approve the annual budget; appoint an independent auditor; receive the annual, audited financial statements; and appoint an audit committee to review the financial statements and activities of the organization.
- 2.6 The board shall adopt a policy requiring that no person shall be excluded from participation in the organization, be denied the benefits of the organization, or be otherwise subjected to discrimination by the organization, on the basis of race, color, national origin, age, religion, handicap, or sex. (The preceding sentence notwithstanding, pursuant to Section 702 of the Civil Rights Act of 1984, religious organizations may discriminate in their employment practices with regard to religion only.)

- 2.6.1 Each agency will develop a written policy that affirms its commitment to gender equity in organizational structures and in staff and board composition. The policy should be fully integrated into an organization's plans and operations.
- 2.6.2 Each agency will develop a written policy that affirms its commitment to ethnic and racial diversity in organizational structures, in staff, and in board composition. The policy should be fully integrated into an organization's operations, in a manner consistent with its mission and the constituency it serves.
- 2.6.3 Each agency will develop a written policy that affirms its commitment to the inclusion of people with disabilities in organizational structures and in staff and board composition. The policy should be fully integrated into an organization's plans and operations, in a manner consistent with its mission and the constituency it serves.
- 2.7 All activities shall be conducted within applicable laws.

### **3.0 Organizational Integrity**

- 3.1 The affairs of the member organization shall be conducted with integrity and truthfulness. The organization's activities shall be open and accessible to scrutiny by its donors, except for personnel matters and proprietary information.
- 3.2 Each organization shall have a written standard of conduct for its directors, employees, and volunteers, which they shall commit to follow.
- 3.3 The organization will have policies to address complaints and prohibit retaliation against whistleblowers.
- 3.4 The organization shall oppose and shall not be a willing party to wrongdoing, terrorism, corruption, bribery, other financial impropriety, or illegal acts in any of its activities. It shall take prompt and firm corrective action whenever and wherever wrongdoing of any kind is found among its board, employees, contractors, and volunteers. Ethics standards shall be maintained despite possible prevailing contrary practices elsewhere.
- 3.5 In all of its activities, a member shall respect the dignity, values, history, religion, and culture of all of its constituents.
- 3.6 A member shall recognize that all of its activities impact on the public perception of the PVO community and that it shares a significant responsibility to enhance the public trust.
- 3.7 The organization will have policies for document retention and destruction that ensures protection of documents during an official investigation.

### **4.0 Finances**

- 4.1 The finances of a member organization shall be conducted in such a way as to assure appropriate use of funds and accountability to donors.
- 4.2 The organization shall have an annual audited financial statement, conducted by an independent certified public accountant. The audited financial statement shall comply with generally accepted accounting standards and requirements according to the AICPA

- and the FASB<sup>1</sup>. The auditors shall present a "management letter" to the board of directors. (Organizations with less than \$100,000 annual income need not have an independent auditor.)
- 4.3 The organization shall complete and file Form 990 annually to the U.S. government. (Religious organizations are exempt by law from this provision.)
- 4.4 The audited financial statement (and the Form 990, if applicable) shall be provided to any inquirer upon submission of a reasonable written request.
- 4.5 An annual report, including a statement of the organization's purpose, full or summary financial statement, description of the goals, summary of overall program activities, results of the work of the organization, and information about current board members, shall be provided upon written or verbal request.
- 4.6 The organization's combined fundraising and administration costs shall be kept to the minimum necessary to meet the agency's needs. Allocations of expenditures to administration, fundraising, and program services shall reflect the organization's purposes, actual activities, and generally accepted accounting principles.
- 4.7 The organization shall operate a budget approved by the board. It shall account for funds from the moment they are received until they are used in the project or services. It shall exercise adequate internal controls over disbursements to avoid unauthorized payments. The organization shall not have secret funds and it shall prohibit any unaudited transactions or loans to board members and to staff.
- 4.8 Contributions shall be used as promised or implied in the fundraising appeal or as requested by the donor. If funds cannot be spent this way, they shall be returned to the donor, or the donor shall be advised of the planned alternative use and given the opportunity to request a return of the contribution. Organizations shall substantiate, upon request that their application of funds is in accordance with donor intent or request. Resources shall not be used as instruments of partisan influence or personal gain.
- 4.9 International currency exchange shall comply with applicable laws, have appropriate government approvals, and be clearly recorded.

## **5.0 Communications to the U.S. Public**

- 5.1 The member organization shall be committed to full, honest, and accurate disclosure of relevant information concerning its goals, programs, finances, and governance.
- 5.2 Fundraising solicitations shall be truthful; shall accurately describe the organization's identity, purpose, programs, and need; shall only make claims which the organization can fulfill; and shall avoid placing excessive pressure on donors. There shall be no material omissions or exaggerations of fact, no use of misleading photographs, nor any other communication that would tend to create a false impression or misunderstanding. Information in the organization's appeals should give accurate balance to the actual programs for which the funds solicited will be used. The organization shall not undertake negative advertising or criticize other member organizations to benefit themselves.
- 5.3 An organization's communications shall respect the dignity, values, history, religion, and culture of the people served by the programs. They shall neither minimize nor overstate the human and material needs of those whom it assists.

- 5.4 If an organization sells, rents, or exchanges the names of its donors, it shall notify the donors of its intention to do so, giving them the option to be eliminated from the list for sale, rent, or exchange.
- 5.5 If the organization engages in fundraising events or cause-related marketing, the amount of funds going to the charity shall be clearly described prior to, or in conjunction with, the effort.
- 5.6 Organizations shall control all fundraising activities conducted on their behalf. All fundraising contracts and agreements shall be reduced to writing.
- 5.7 Staff engaged in fundraising and public relations should meet the standards of the Association of Fundraising Professionals<sup>2</sup> and Public Relations Society of America<sup>3</sup>, respectively.

## **6.0 Management Practice and Human Resources**

- 6.1 A member organization shall endeavor to follow best management practices appropriate to its mission, operations, and governance structure.
- 6.2 A member organization shall periodically reassess its mission and operations in light of the changing world environment through an ongoing strategic planning process.
- 6.3 A member organization shall have clear, well-defined, written policies and procedures relating to all employees and volunteers, including host-country nationals and expatriates.
- 6.3.1 Such policies shall clearly define and protect the rights of employees, assuring fair treatment in all matters.
- 6.3.2 Employee benefits shall be clearly described and communicated, and the organization shall make financial arrangements to protect its ability to honor its obligations to employees.
- 6.3.3 The organization's expectations of employees shall be clearly defined and communicated.
- 6.4 A member organization shall have policies and procedures to promote gender and minority equity, pluralism, diversity, and affirmative action in recruitment, hiring, training, professional development, and advancement.
- 6.4.1 Promoting Gender Equity**
- 6.4.1.1 Gender sensitization will be fully integrated into an organization's human resource development program for staff at all levels to improve organizational effectiveness and to promote non-discriminatory working relationships and respect for diversity in work and management styles.
- 6.4.1.2 Agencies will strive to increase the numbers of women in senior decision-making positions at headquarters and in the field, on boards of directors, and on advisory groups where they are currently underrepresented.
- 6.4.1.3 An important criterion in hiring and personnel evaluation policies and practices will be a demonstrated understanding of gender issues and a commitment to gender equity.

6.4.1.4 Each agency will institute family-friendly policies and create an environment that enables both women and men to balance work and family life.

6.4.1.5 Agencies will have policies and practices that support equal pay for equal work.

6.4.1.6 Program and senior staff will be trained in gender analysis for programs planning, implementation, and evaluation.

## **6.4.2 *Promoting Diversity***

6.4.2.1 Diversity sensitization will be fully integrated into an organization's human resource development program for staff at all levels in order to promote non-discriminatory working relationships, respect for diversity in work and management styles, and an organizational culture which supports diversity.

6.4.2.2 Agencies will strive to increase ethnic and racial diversity, where there is under-representation, in senior decision-making positions at headquarters, in the field, and on boards of directors.

6.4.2.3 An important criterion in hiring and personnel evaluation policies and practices will be a demonstrated understanding of and commitment to diversity issues.

6.4.2.4 Agencies will have policies and practices that support equal pay for equal work.

## **6.4.3 *Promoting People With Disabilities***

6.4.3.1 Agencies will strive to increase the numbers of people with disabilities, where there is under-representation, in senior decision-making positions at headquarters, in the field, and on boards of directors.

6.4.3.2 In order to embrace diversity in its organizational culture, agencies will integrate disability into the diversity sensitization program within an organization's human resource development program for staff at all levels. This will improve organizational effectiveness, promote non-discriminatory working relationships, and create a respect for diversity in work and management styles.

6.5 A member shall endeavor to recruit and retain staff that combine professional competence with a commitment to service.

## **7.0 Program**

### **7.1 *General Program Standards***

7.1.1 A member's program shall facilitate self-reliance, self-help, popular participation, and sustainable development, so as to avoid dependency.

7.1.2 Participants from all groups affected should, to the maximum extent possible, be responsible for the design, implementation, and evaluation of projects and programs.

7.1.3 A member shall give priority to working with or through local and national institutions and groups, encouraging their creation where they do not already exist, or strengthening them where they do.

- 7.1.4 In its program activities, members shall respect and foster human rights, both socio-economic and civil-political.
- 7.1.5 A member's programs shall respect the dignity, values, history, religion, and culture of the people served.
- 7.1.6 A member's fundamental concern shall be the well-being of those affected; its programs shall assist those who are at risk without political, religious, gender, or other discrimination; and a high priority shall be given to strengthening the capacities of the most vulnerable groups, typically women, children, minorities, the disabled, and the very poor.
- 7.1.7 Where possible, programs shall promote the advancement of the status of women and their empowerment.
- 7.1.8 In the planning of programs and projects, a member shall consider the full range of potential impacts upon the host country, including the potential to strengthen the capacity of local structures and institutions to absorb constructively financial and other inputs, and, where resources exceed capacity, to create new auxiliary structures such as locally controlled foundations or funds; the potential for sustaining the program in the future; the effect upon the demand and markets for locally produced goods and services; the potential for individual and community empowerment; and the effects upon the natural environment and ecosystems.
- 7.1.9 A member shall have defined procedures for evaluating, both qualitatively and quantitatively, its programs and projects. These procedures shall address both the efficiency of the use of inputs, and the effectiveness of the outputs, i.e. the impacts on the program participants and the relationship of these impacts to the cost of achieving them.
- 7.1.10 A member shall be willing to share program knowledge and experience with program participants, other agencies, donors, and other constituencies.
- 7.1.11 Members shall adhere to the professional standards in their field(s) of activity.

## **7.2 *Promoting Gender Equity***

- 7.2.1 Consistent with its mission and the constituency it serves, members will establish a mechanism that operates with a mandate from the CEO to promote and monitor the integration of gender equity in programs.
- 7.2.2 Gender awareness will be integrated into each stage of the program process, from review of project proposals to implementation and evaluation, to ensure that projects foster participation and benefits for both women and men. Members will collaborate with local NGO partner organizations in the field on these efforts.

## **7.3 *Promoting Diversity***

- 7.3.1 Consistent with its mission and the constituency it serves, members will establish a mechanism that operates with a mandate from the CEO to promote awareness of diversity in programs, where appropriate.
- 7.3.2 Where appropriate, awareness of diversity issues will be incorporated into each stage of the program process, from review of project proposals to implementation and evaluation, to ensure that projects foster participation and benefits for all affected groups. Members will collaborate with partner NGO organizations in the field to integrate diversity issues into their programs.

## **7.4 *Promoting People With Disabilities***

- 7.4.1 Consistent with its mission and the constituency it serves, members will establish a mechanism that operates with a mandate from the CEO to promote and monitor the inclusion of people with disabilities in programs.
- 7.4.2 Disability inclusion strategies will be integrated into each stage of the program process, from review of project proposals to implementation and evaluation, to ensure that projects foster participation and benefits for all affected groups, including disabled men, women, and children. Members will collaborate with local NGO partner organizations in the field on these efforts.
- 7.4.3 Member programs and activities should be held in accessible locations to the maximum extent feasible. Organizations will provide training and conference materials in alternate formats as applicable (Braille, sign-language interpreters, etc.). Member agencies should plan financially to reasonably accommodate people with disabilities in member programs and activities.

## **7.5 *Emergency, Civil Conflict, and Disaster Response***

- 7.5.1 A member shall make its best efforts to ensure that assistance is provided on a non-discriminatory basis. To the maximum extent possible, disaster response should be treated as a humanitarian and non-political matter.
- 7.5.2 Agencies engaged in disaster response will be guided and informed by the *Sphere Project's Humanitarian Charter and Minimum Standards in Disaster Response*<sup>4</sup>.
- 7.5.3 A member shall affirm that, in responding to disasters for the benefit of civilian populations, its response will be coordinated with other local and international humanitarian organizations in order to ensure prompt action and effective allocation of resources and to avoid duplication of effort.
- 7.5.4 Agencies engaged in disaster response will be guided and informed by the InterAction document, *The Security of National Staff: Essential Steps*<sup>5</sup>.

## **7.6 *Minimum Operating Security Standards***

- 7.6.1 A member shall have policies addressing the key security issues and formal plans at both the field level and headquarter levels to address these issues.
- 7.6.2 Members shall make available appropriate resources to meet these minimum operating security standards.
- 7.6.3 Members shall implement reasonable hiring policies and personnel procedures to prepare staff to cope with the security issues at their posts of assignment, support them during their service, and address post assignment issues.
- 7.6.4 A member shall incorporate accountability for security into their management systems at both the field and headquarters level.
- 7.6.5 Members shall work in a collaborative manner with other members of the humanitarian and development community to advance their common security interests.

## **7.7 *Material Assistance***

- 7.7.1 Programs involving the provision of emergency and material assistance shall be carried out, to the maximum extent feasible, in a manner intended to undergird and enhance local know-how and productive capacity, to avoid the creation of dependencies, to reduce vulnerability to future disasters, and to lay the basis for long-term development.
- 7.7.2 Materials provided shall be appropriate, based on an assessment of local needs, and sensitive to the local culture and situation. Any donations of goods and services will be accessible to disabled men, women, and children.
- 7.7.3 A member utilizing gifts-in-kind (GIK) shall be guided and informed by the *Interagency Gifts-In-Kind Standards Project*<sup>6</sup> of the Association of Evangelical Relief and Development Organizations (AERDO).
- 7.7.4 A member receiving and distributing medical supplies shall be guided and informed by *The Use of Essential Drugs*<sup>7</sup>, containing the sixth model list of essential drugs promulgated by the World Health Organization.
- 7.7.5 A member utilizing gifts-in-kind shall have policies that clearly describe the valuation and auditing methods used, including diminution of value based on dating and shelf life; establish limits to the number of times that goods will be passed to other PVOs before being passed on to an end user; assure that only gifts-in-kind that are related to the basic mission and purposes of the organization and that are appropriate to the local situation will be received and disbursed; that processing fees will be assessed in relation to the cost incurred, not to the value of the goods involved; that gifts-in-kind will be used for the purpose intended by the donor and will not be diverted for financial gain unrelated to the purpose for which the gift was made; and that proper documentation will be maintained on all gift-in-kind transactions.

## **7.8 *Migration and Refugee Assistance***

- 7.8.1 A member involved in migration and refugee affairs shall be guided and informed by the 1951 United Nations Convention and 1967 *Protocol Relating to the Status of Refugees*<sup>8</sup>.
- 7.8.2 Those agencies active in the U.S. Reception and Placement Program of Refugee Resettlement shall adhere to the mutually agreed upon *Bureau for Refugee Program Guidelines for Participants*.

## **7.9 *Protection from Sexual Exploitation and Abuse in Humanitarian Crises***

- 7.9.1 A member has a responsibility to ensure that beneficiaries are treated with dignity and respect and that certain minimum standards of behavior are observed. In order to prevent sexual exploitation and abuse, the following core principles shall be incorporated into a code of conduct that will be adopted by a member agency. It shall be recognized that the adoption of a code of conduct that incorporates these core principles is a first step and that all additional action necessary to ensure that beneficiaries are protected should be taken.
- 7.9.2 Sexual exploitation and abuse by humanitarian workers constitute acts of gross misconduct and are therefore grounds for termination of employment.
- 7.9.3 Sexual activity by a humanitarian worker and a beneficiary who is a child (person under the age of 18) is prohibited regardless of the age of majority or age of consent locally. Mistaken belief in the age of a child is not a defense. The sole exception in applying this

- principle may be in the instance where a staff member is legally married to a person under the age of 18.
- 7.9.4 Exchange of money, employment, goods, or services, including assistance that is due to beneficiaries, for sex, sexual favors or other forms of humiliating, degrading or exploitative behavior is prohibited.
- 7.9.5 Sexual relationships between humanitarian workers and beneficiaries are strongly discouraged since they are based on inherently unequal power dynamics. Such relationships undermine the credibility and integrity of humanitarian aid work.
- 7.9.6 Where a humanitarian worker develops concerns or suspicions regarding sexual abuse or exploitation by a fellow worker, whether in the same agency or not, s/he must report such concerns via established agency reporting mechanisms.
- 7.9.7 Humanitarian workers are obliged to create and maintain an environment that prevents sexual exploitation and abuse and promotes the implementation of their code of conduct. Managers at all levels have particular responsibilities to support and develop systems that maintain this environment.
- 7.10 *Development***
- 7.10.1 Members involved in development assistance shall be guided by the professional standards developed by recognized authorities related to their sectoral areas of discipline. Examples could include, but are not limited to, the following: the *Guidelines for Drinking Water Quality*<sup>9</sup> promulgated by the World Health Organization (WHO); *Housing and Health: An Agenda for Action*<sup>10</sup>, promulgated by WHO; the *World Declaration on the Survival, Protection and Development of Children*<sup>11</sup> promulgated by United Nations Children's Fund; and *Learning for All: Bridging Domestic and International Education; Conference Report*<sup>12</sup>, the U.S. Coalition for Education for All.
- 7.11 *Child Sponsorship***
- 7.11.1 InterAction member agencies involved in child sponsorship use a variety of child-centered approaches to development, which fosters mutually beneficial, supportive relationships among peoples from widely varied cultural and economic backgrounds. Their programs shall facilitate self-reliance, self-help, and popular participation. They shall regularly update the status of each sponsored child and report significant changes which impact the child's participation in the program to the sponsor. They shall be guided and informed by the principles contained in the *United Nations Convention on the Rights of the Child*<sup>13</sup>.
- 7.11.2 The resources generated through child sponsorship shall be used and accounted for in a manner consistent with the programs and purposes described in appeals. Where initial appeals to, or ongoing communications with, sponsors promise or imply benefits to specific children, members shall have procedures in place that enable it to document that the sponsored child benefits from any programs or projects supported with their sponsor's funds.
- 7.11.3 Members engaged in child sponsorship shall adopt policies and practices to ensure that sponsored children and their families benefit in identifiable ways from sponsors' contributions.
- 7.11.4 Members that pool sponsorship contributions to support child-focused community development projects shall ensure that children in sponsored families are among the principal beneficiaries of these projects.

- 7.11.5 Members that promise or imply benefits to sponsored children in their marketing materials shall have procedures in place to document that children in sponsored families receive the advertised benefits.
- 7.11.6 Members shall never knowingly enroll a child or family already enrolled by another sponsorship agency; nor shall a member seek more than one sponsor for a child unless this fact is clearly communicated to sponsors.
- 7.11.7 Members whose primary focus is other than child sponsorship programs shall not use sponsorship purely as a fundraising tool, but shall seek to make their sponsorship programs consistent with the agency's overall mission and purposes.
- 7.11.8 Members shall have clear policies and procedures to respect the privacy and dignity of sponsored children and their families. Members shall seek to protect sponsors from inappropriate solicitations from sponsored families.
- 7.11.9 Members shall be truthful in marketing and advertising.
- 7.11.10 Marketing materials shall be accurate and current in their portrayal of conditions involving families and children depicted in these materials. Promotional appeals and marketing materials that use visual images to solicit donations shall accurately reflect the current work of the member. If historical images are used, the context and year the image was created shall be clearly identified in the appeal.
- 7.11.11 Members that pool sponsorship contributions to support child-focused community development projects shall note this practice in all sponsorship marketing materials.
- 7.11.12 Members shall clearly communicate to sponsors their definition of benefit to sponsored children and shall periodically communicate the indicators used to monitor and evaluate these benefits.
- 7.11.13 Members engaged in child-focused community development projects shall have clearly defined and publicly stated criteria for establishing partnerships with communities and for fostering community empowerment through participation in the planning of programs and projects.
- 7.11.14 Members shall have the capacity of providing financial and performance oversight and child monitoring at the local level, whether through a field office structure or through partnerships with local entities. They shall have established policies and procedures for ongoing program monitoring and evaluation.
- 7.11.15 Members engaged in child sponsorship should develop policies that support the inclusion of children with disabilities and their families in child sponsorship programs and child-focused community development projects.

## **7.12 *Development Education***

- 7.12.1 The focus of development education efforts should be to engage the U.S. public in the recognition of global interdependence and its long-term impact upon the well being of all societies and to develop a constituency in support of a constructive U.S. role in the world.
- 7.12.2 A member involved in development education shall be informed and guided by "Guidelines for PVOs: An Aid to the Development of Education, Public Information, and

- Fundraising Materials About Africa"<sup>14</sup> from *Toward Partnership in Africa* (pp. 146-160), with suitable adaptation to other areas of the world.
- 7.12.3 A member shall make a clear distinction between its fundraising and development education efforts, especially in its financial reporting, adhering to the relevant positions of the American Institute of Certified Public Accountants (AICPA) regarding the appropriate allocation of the expenses related to these activities.
- 7.13 *Pharmaceutical and Medical Resources***
- 7.13.1 The actions of the PVO: Regarding the provision of pharmaceutical and medical resources, a PVO should operate in a way consistent with its stated mission and non-discriminatory practices.
- 7.13.1.1 A member receiving and distributing medical supplies shall be guided and informed by *The Use of Essential Drugs*<sup>15</sup>, containing the ninth model list of essential drugs promulgated by the World Health Organization.
- 7.13.1.2 All donations should be used in the furtherance of the stated mission, purpose, and program objectives of the donor, its affiliates, and partners.
- 7.13.1.3 Donations should be used for the benefit of the sick and needy without prejudice to race, class, sex, or political or religious affiliation.
- 7.13.1.4 Donations should not be unduly influenced by the internal or financial considerations of the PVO.
- 7.13.1.4.1 For purposes of recording revenue and expense, gift-in-kind donations should be valued at their fair value as of the date of donation.
- 7.13.1.4.2 Only organizations that take possession of a gift-in-kind donation from the original donor or which provide the donation to an end-use recipient should record the value of the GIK donation as revenue.
- 7.13.1.4.3 Service fees related to GIK donations should be based on administrative, warehousing, or other similar costs incurred in the receipt and distribution of GIK.
- 7.13.1.4.4 The basis and method for valuing donated GIK should be disclosed in an organization's audited financial statements.
- 7.13.2 The authority of the recipient: A PVO should be guided by needs expressed by qualified host-country recipients. Qualified recipients may be appropriate governmental agencies or qualified private sector entities, such as national or international non-governmental organizations, local hospitals, and community health centers.
- 7.13.2.1 All donations should be based on an expressed need and be relevant to the disease pattern in the recipient country. Drugs should not be sent without prior consent from the recipient.
- 7.13.2.2 Donating PVOs should inform recipients of key logistical information regarding the delivery of pre-approved drug donation shipments being made between the recipient and donating PVO.

- 7.13.3 The appropriateness of the resources: All donated resources should be approved and appropriate to the recipient location, and there should be no double standards in quality.
- 7.13.3.1 All donated drugs or their generic equivalents should be approved for use in the recipient country and appear on the national list of essential drugs or, if a national list is not available, on the WHO *Model List of Essential Drugs*<sup>16</sup>, unless requested otherwise by the recipient.
- 7.13.3.2 The presentation, strength, and formulation of donated drugs should be similar to those of drugs commonly used in the recipient country.
- 7.13.3.3 All donated drugs should be obtained from reliable sources and comply with quality standards in both the donor and recipient countries.
- 7.13.3.4 Drugs that have been issued to patients and then returned to a pharmacy or elsewhere, or were given to health professionals as free samples, should not be donated.
- 7.13.3.5 After arrival in the recipient country, all donated drugs should have a remaining shelf life of at least one year. An exception may be made, provided that the responsible professional at the receiving end acknowledges that he or she is aware of the shelf life and that the quantity and remaining shelf life allow for proper administration prior to expiration. In all cases, the date of arrival, the expiration dates, and the quantities of the drugs should be communicated to the recipient well in advance.
- 7.13.3.6 All drugs should be labeled in a language that is easily understood by health professionals in the recipient country; the label on each individual container should contain, at minimum, the International Nonproprietary Name (INN) or generic name, batch number, dosage form, strength, name of manufacturer, quantity in the container, storage conditions, and expiration date.
- 7.13.4 The assurance of effective handling and delivery: The shipment and delivery of donations should be the responsibility of the PVO and cause as little burden as possible to the qualified host-country recipient.
- 7.13.4.1 Donated drugs should be presented in unit size and packaging appropriate for the dispensing authority.
- 7.13.4.2 All drug donations should be packed in accordance with international shipping regulations and be accompanied by a detailed packing list which specifies the contents of each numbered shipping unit by INN, dosage form, quantity, expiration date, volume, weight, and any special storage conditions. The weight per carton in each shipping unit should not exceed 50 kilograms. Unless in recipient-approved, pre-packaged units, drugs should not be mixed with other supplies in the same carton.
- 7.13.4.3 In the recipient country, the value of the drug donation declared on customs and import documents should be no higher than the wholesale price of its generic equivalent in the recipient country, or the wholesale world-market price for its generic equivalent.
- 7.13.4.4 Costs of international and local transport, warehousing, port clearance, and appropriate storage and handling should be paid by the donor agency, unless specifically agreed otherwise with the recipient in advance.

- 7.13.5 The assessment of activities: A PVO should maintain documentation relating to the handling and use of all donations.
- 7.13.5.1 PVOs should maintain written policies and procedures to evaluate potential pharmaceutical donations to ensure that they meet appropriate programmatic, medical, cultural, and ethical criteria.
- 7.13.5.2 All donations should have proper documentation relating to product value, inventory, verification of receipt, and record of end-use or transfer.

## **8.0 Public Policy**

- 8.1 A member organization shall have a clear policy describing the circumstances in which it will involve itself in advocacy, public policy, and/or lobbying activities.
- 8.2 Members adopting advocacy and public policy positions shall have an organizationally approved policy that defines the process for adopting and implementing such positions.
- 8.3 Advocacy, public policy, and lobbying activities by members shall be non-partisan (i.e. not associated with a specific political party) in nature and shall conform to applicable U.S. non-profit law.
- 8.4 Activities intended to influence public policy in the U.S. or other countries shall be undertaken in accordance with the individual member organization's established policies and within applicable laws.
- 8.5 In taking public policy positions, member organizations shall be informed and guided by public policy positions unanimously adopted by InterAction.

## **9.0 Implementation**

- 9.1 Self-certification that an agency meets the Standards is required for membership in InterAction. Each applicant organization accepts responsibility for following the Standards. An organization that meets the Standards may refer in its promotional materials to this fact. InterAction will maintain and make available a current list of qualifying organizations.
- 9.2 Yearly filing of the latest annual report and an audited financial statement by the chair of the board of directors and/or the chief executive officer of the organization, attesting that it meets the high ethical Standards of InterAction will be required and due December 31 of each year.
- 9.3 The PVO Standards Committee (Standards Committee) shall be elected by the board and shall consist of members of the InterAction board and recognized outside experts. The Standards Committee will review and recommend to the board revisions in the Standards periodically.
- 9.4 The Standards Committee will receive and act upon credible complaints of non-compliance with the Standards. Complaints must be in writing and present credible evidence regarding non-compliance with the Standards. The organization concerned will receive written notice outlining the alleged violation(s), possible sanctions, and the right to respond. The organization will have the opportunity to respond to the allegations and to review and respond to all charges and evidence to be considered by

the Standards Committee. The organization concerned will also have the right to appear in person before the Standards Committee or its designee. The complaint will be kept confidential to the extent possible, consistent with the obligation to investigate.

If the Standards Committee deems an organization to be out of compliance with the Standards, it shall be given a reasonable time to make a serious effort to come into compliance. The Standards Committee may recommend to the executive committee that the membership of organizations that do not come into compliance with the Standards within a reasonable time be suspended or terminated.

When a member agency substantially fails to maintain the standards for admission and continuing membership and fails or refuses to remedy this situation within a reasonable time, the executive committee may, by majority vote, suspend or terminate the membership of such member. Any organization recommended for suspension or expulsion will be entitled to a hearing before the executive committee prior to suspension or expulsion.

In the event of a negative determination by the executive committee, the organization may appeal directly to the board of directors.

The Standards Committee will issue a report annually to the members.

- 9.5 The Standards covered in sections 1,2,3,4, and 5 became effective for membership starting January 1, 1994. Delay in the effective date of any specific standard, or its application to a specific agency, may be made by vote of the board of directors.
- 9.6 The board of directors of InterAction may, from time to time, add to or change this set of Standards, subject to 2/3 approval by the members in attendance at a regular meeting of the board of directors and with appropriate notice.
- 9.7 InterAction maintains a resource center in its main office that contains a copy of all of the codes and standards developed by other organizations or coalitions that are referred to in the InterAction Standards.

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### Reference Sources

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