

FUNDRAISING AND RESOURCE MOBILIZATION

While working on fundraising for the implementation of their statutory activities, non-governmental organizations (CSOs) should consider the following legislative framework:

> **Attracting financial resources:** The Ukrainian legislation allows CSOs to attract financial resources, including donor contributions, grants, and other forms of support to implement their statutory objectives. The legislation imposes no restrictions on the sources of financial resources, provided they are legal.

> **Conducting activities in accordance with their means:** CSOs should utilize the resources they attract in alignment with their statutory goals and ensure their actions are in compliance with the law.

> **Peculiarities of online fundraising:** When fundraising online, CSOs must adhere to specific rules and regulations that can vary from general guidelines. They are required to follow legal mandates, utilize licensed payment systems, safeguard donor information as per personal data protection laws, and maintain meticulous records of the funds collected, including subsequent reporting. Employing specialized software aids in managing the raised funds, promoting transparency and accountability. For instance, conducting online fundraising campaigns, like crowdfunding, necessitates selecting platforms that possess the required permits and licenses in Ukraine, guaranteeing the fundraising's legality and effectiveness.

> **Accounting and reporting:** CSOs are required to maintain detailed records of the resources raised and how these funds are utilized. The law mandates transparency in both fundraising and expenditure practices, necessitating that CSOs report on their activities.

As of the first quarter of 2024, CSOs must submit financial statements of microenterprises in the following approved forms:

- 1) Balance sheet of form No. 1-ms
- 2) Report on financial results of the form №2-ms.¹

CSOs are required to submit financial statements to the State Tax Service and statistics authorities.

As of the first quarter of 2024, the deadlines for submitting financial statements for CSOs are the following:

to the statistical authorities - no later than February 28 following the reporting period (year);	to the tax authorities - within 60 calendar days following the last calendar day of the reporting (tax) year together with the submission of the Report on the use of income (profits) of a non-profit organization (as an integral part of the report).
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For transparent and effective fundraising for the implementation of its statutory activities, an CSO should adhere to the following principles:

¹Provided that they meet the criteria of a small business. If a CSO does not meet these criteria for micro/small businesses, such organizations are required to submit full financial statements: Balance Sheet, Income Statement, Cash Flow Statement, Statement of Equity, and Notes to the Financial Statements.

- **Transparency and openness** - detailed reporting on the funds used and activities, making sure that such reports are open to the public, clarity and transparency of decision-making processes, openness to cooperation with various stakeholders.
- **Accountability to donors and the public:** regular preparation and submission of reports, efficient use of resources, and evaluation of the impact of activities.
- **Compliance with the law**, as well as with the requirements of donors whose projects they are implementing.

Cooperation of CSOs with state institutions and the private sector in Ukraine can take place at different levels and in different forms, including joint projects, consultative participation in policy development, grant support, etc.

According to the Law of Ukraine "On Public Associations," CSOs have the right to participate in

- > in the development of state policies,
- > in the decision-making process of state bodies,
- > be included in public councils at state bodies

These councils serve as a platform for dialogue between the government and civil society, allowing CSOs to influence decision-making, make proposals and monitor the activities of state bodies.

It is important to add that one of the most common practices in the executive branch is the creation of

- advisory and consultative bodies
- expert bodies
- consulting groups
- independent commissions.

Oftentimes, such bodies are representative of various groups of the public.

Public authorities regularly hold consultations with the public on socially important issues, including with CSOs, in the form of:

- public discussions
- public opinion surveys
- electronic consultations

One of the most common mechanisms for establishing close cooperation between the government and the public is the signing of **memorandums and cooperation and other types of agreements**.

CSOs in Ukraine are eligible to engage in **public procurement**, enabling them to carry out significant social projects with public funding support. Under the "Law of Ukraine on Public Procurement," CSOs can serve as suppliers of goods, works, and services to meet public needs, adhering to the established procedures and criteria. This adherence promotes the transparency and efficiency of the use of public funds.

Compliance with anti-corruption laws is a crucial aspect of CSOs' involvement in public procurement and their operations at large. The "Law of Ukraine on Prevention of Corruption" mandates all procurement process participants to uphold high standards of transparency, accountability, and ethical conduct. This

requirement helps to mitigate corruption risks and enhances public confidence in the activities of governmental entities and the public sector.

Cooperation between CSOs and the private sector can be realized through various forms of partnership, each of which has its own characteristics and goals:

<p>Public-private partnership: Joint work of CSOs and private companies on projects aimed at solving social problems (e.g. healthcare, education, etc.)</p> <p>Sponsorship: Business providing financial or in-kind support a for specific events or programs of an CSOs, often aimed at advertising for the sponsoring of the business itself.</p> <p>Corporate volunteering: Involvement of employees of private companies in volunteer activities organized by CSOs, which helps to strengthen team spirit and corporate culture.</p>	<p>Social entrepreneurship: Initiatives that pursue both commercial and social goals. In such initiatives, CSOs and the private sector act as partners.</p> <p>Organization of joint fundraising campaigns: The organization of joint fundraising initiatives between CSOs and private companies that help raise awareness of social issues and attract resources to address them.</p> <p>Exchange of experience: Joint events, trainings, and seminars between CSOs and private companies to share knowledge, experience, and best practices in administration, marketing, logistics, project development, etc.</p> <p>Partnership agreements between civil society organizations and the private sector facilitate the exchange of resources and expertise, strengthening the social responsibility of business and expanding opportunities for implementing projects for mutual benefit.</p>
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When collaborating with the public and private sectors, CSOs should pay close attention to:

- > **Protection of personal data.** Relevant legislation requires ensuring confidentiality and protection of personal data of individuals with whom CSOs interact.
- > **Compliance with tax legislation** that establishes requirements for taxation of income received from cooperation and provides conditions for tax exemption.

Effective and legitimate collaboration between CSOs, government agencies, and the private sector can greatly enhance the opportunities for executing socially significant projects and offer additional resources for organizations. It is crucial, however, to ensure adherence to legal standards and uphold principles of ethics and transparency.