

SEE Questionnaire

Donations and Payments Q1



Does your company take a strategic approach to charitable giving?

Question developed with the [Charities Aid Foundation](#)

Rationale for question

Corporate contributions of money, products, and/or time and expertise can have not only a positive social impact but also reap significant benefits for a business and its employees. Sometimes companies make impromptu, ad hoc contributions to causes that are supported by one or two employees, but that have no other relevance to the company. Others select favoured charities and regularly donate to these. Research suggests that companies that approach corporate giving as they would a business project are more likely to maximise the positive impact of these donations. A more strategic approach to charitable giving could ensure that the company's contribution would address real need, that the donation be used as effectively as possible, and that it be aligned with organisational values and purposes.

Strategic corporate giving may therefore involve a company giving a monetary donation directly from their own profits, giving material goods, providing professional services, encouraging staff to give directly and tax-efficiently through their payroll, or a combination of approaches.

Linking monetary donations with employee volunteering can be particularly valuable. An employee volunteering scheme includes regular voluntary activity by employees that is supported by the company. This might, for example, be giving people paid time off to undertake voluntary work, incorporating volunteering into a

personal development scheme, or setting up charitable programmes that offer staff the opportunity to volunteer. Employee volunteering has many benefits for everyone involved, including building a foundation for longer-term partnerships between companies and the voluntary sector, a chance for employees to work and learn outside their usual work environment, and an increase in staff morale and work performance for the employer.

The following fictitious example indicates how some of these principles might be put into action:

The Great Big Company Foundation has a programme of community investment with over 10 million dollars contributed to more than 500 community organisations each year. The company has always had close community links which it values and wishes to sustain - even before CSR became fashionable. In some operational countries, it also brings tax benefits.

The Great Big Company Foundation focuses its resources in four core areas: education, welfare, health and the environment. It believes these are core to its own company values and it supports a broad range of community organisations that meet these needs.

In addition, the Great Big Company staff, around the world, raise considerable funds for these community organisations as well as provide many hours of time as volunteers, mentors, and members of boards and management committees of not-for-profit organisations. This volunteering is supported by the Great Big Company which encourages staff to work in the community as part of its staff development programme. The staff enjoy the opportunity and bring back new ideas and enthusiasm to their normal work. The Great Big Company realises it has measurable improvement in staff productivity and commitment. With such a positive community identity, the Great Big Company finds it easy to recruit the best new graduates each year.

Defining terms

'Charitable giving' refers to contributions for the public benefit, whether in the form of money, products or time and expertise. These contributions may be local, national or international charitable causes.

A 'strategy' is a long term plan of action designed to achieve a particular goal taking into consideration the widest possible set of potential options and their impacts. Reacting to a short-term problem without changing your overall goals is usually tactical, not strategic.

Primary and Secondary answer requirements

ANSWERING YES

Companies must:

1. state their form of charitable giving, as described in the defining terms; and
2. describe how they take a strategic approach to giving, specifying the extent to which their policies follow the practice set out in the rationale.

Companies may:

1. state how much they have given, preferably as a proportion of profits;
2. explain how they help staff give more tax-efficiently; and/or
3. describe how they facilitate an employee volunteering scheme.

ANSWERING NO

Companies must:

1. explain why they do not take a strategic approach to charitable giving, listing the business reasons, any mitigating circumstances or other reasons that apply.

Companies may:

1. describe any charitable giving;
2. state how much they have given, preferably as a proportion of profits; and
3. mention any future intentions regarding this issue.

DON'T KNOW is not a permissible answer to this question.

NOT APPLICABLE is not a permissible answer to this question.

NO ANSWER YET is only permissible under extraordinary circumstances and then for only a limited period.