

# **FREQUENTLY ASKED QUESTIONS**

## **CODE OF GOVERNANCE (CODE) 2023**

### **- GOVERNANCE EVALUATION CHECKLIST (GEC) 2024**

*(For financial years starting on or after 1 January 2024)*

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#### **1. Is it compulsory to comply with all Code guidelines in the GEC?**

- 1.1 The Code operates on the principle of 'comply or explain'. The Code applies to all registered charities.
- a. The Code does not apply to Exempt Charities and self-funded grantmakers which do not have IPC status, such as philanthropic foundations funded with private family or institutional money. They are welcome to refer to the Code as a matter of best practice.
- 1.2 While compliance with the Code is not mandatory, charities to whom the Code applies, are required to submit a GEC on the Charity Portal. In the GEC, charities should:
- a. explain why it cannot comply or can only partially comply with certain Code guidelines;
- b. indicate the steps it plans to take to comply or explain why if it decides not to comply; and
- c. the Board and Management must approve the GEC before submission on the Charity Portal.
- 1.3 Charities, which are not IPCs, have gross annual receipts (or total expenditure, whichever is higher) of less than \$50,000 are not required to submit the GEC. However, they are strongly encouraged to adhere to the principles of the Code.
- 1.4 For IPCs, their respective Sector Administrators (SAs) would consider the IPC's extent of Code compliance, and the reasons for partial compliance and/or non-compliance, when assessing an IPC's application to extend its IPC status, as well as the length of IPC extension.

#### **2. What is the deadline for the GEC submission?**

- 2.1 GEC is to be submitted within six months from the end of the charity's financial year. See the table below for example:

<b>Financial Period</b>	<b>End date of charity's financial year</b>	<b>Deadline for GEC submission</b>
1 Jan 2024 to 31 Dec 2024	31 Dec 2024	30 Jun 2025
1 Apr 2024 to 31 Mar 2025	31 Mar 2025	30 Sep 2025
1 Jun 2024 to 31 May 2025	31 May 2025	30 Nov 2025

2.2 The reporting requirements of the Code 2023 will be applicable from the charities' financial year beginning on or after 1 January 2024.

2.3 This means that, the first batch of charities that will need to report the GEC 2024 under the Code 2023 will be for those with their financial year ending on 31 December 2024, with their reports due in June 2025.

### **3. Are there penalties if charities do not submit the GEC?**

3.1 Submission of GEC is a legislative requirement. Charities that do not submit GEC are liable to pay composition sums. The office of the Commissioner of Charities (COC) and SAs will issue warnings and penalties, where appropriate, if charities have wilfully disregarded the requirements.

3.2 Application of Charities Capability Fund (CCF) may be rejected, while IPCs' application for extension will be rejected or will not be considered favourably.

### **4. Is there a minimum percentage which charities are required to meet or comply with the Code guidelines?**

4.1 Compliance with at least 80% of the guidelines is a good indication that most of the key recommended governance practices are adopted/implemented by the charity.

4.2 IPCs are expected to achieve 100% compliance as they must be held to higher standards of accountability as they enjoy benefits from their IPC status.

4.3 All charities are strongly encouraged to do their best to adopt the Code guidelines and strive to achieve at least 95% or 100% compliance.

### **5. Are there checks to ensure the validity of the GEC submitted by charities?**

5.1 The office of the COC will conduct random checks regularly to validate the submitted reports and ensure the integrity of the self-disclosed GEC submission on the Charity Portal.

5.2 The Boards of charities are expected to ensure that there is a process in place for the proper application of the "comply or explain" requirement. The annual reporting of actual governance practices of the charity should be reviewed and endorsed by the Board.

### **6. Must charities submit a new GEC every year?**

6.1 Charities must submit a new GEC via the Charity Portal annually within six months from the end of their financial year. The charities' governing boards should take the opportunity to conduct an annual review of their governance practices and work towards complying with the Code guidelines, where applicable.

**7. Can charities update their past GEC submissions?**

7.1 Charities are unable to update or delete their previously submitted GECs themselves. However, should charities need to make any changes to their previous submissions, please email [MCCY\\_Charities@mccy.gov.sg](mailto:MCCY_Charities@mccy.gov.sg) for assistance.

**8. Can the submission for the previous year be ported over to the current year?**

8.1 No. This is to allow the charity to review and assess its governance practices on an annual basis.

**9. Who can submit the GEC via the Charity Portal?**

9.1 The charity's governing board can authorise any personnel from the charity to submit the GEC via the Charity Portal. The designated personnel must make a declaration before submitting the checklist.

**10. Who should charities approach for assistance with issues on checklist submission?**

10.1 Charities should contact the Charities Unit or relevant SAs if they require clarifications on the GEC or online access to submit the checklist. For technical issues on the Charity Portal, charities can email their queries to [MCCY\\_Charities@mccy.gov.sg](mailto:MCCY_Charities@mccy.gov.sg).

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