

POLICY ON CONTRIBUTIONS
(approved at the 1st Board Meeting on 17-18 November 2014)

1. Purpose of GCERF

The purpose of the Global Community Engagement and Resilience Fund (“GCERF”) is to support community-level initiatives that strengthen resilience to violent extremist agendas and sustainably address the drivers of radicalisation to such agendas and other sources of insecurity.

2. Purpose of Policy

The Governing Board of GCERF (the “Board”) encourages contributions by donor governments, foundations and private sector actors for purposes that will assist GCERF to further and fulfil its mission. The following policy governs the acceptance of financial and in-kind contributions made to GCERF and provides guidance to prospective donors and their advisors when making contributions to GCERF. The provisions of this policy shall apply to all contributions to GCERF.

3. Guiding Principles

The following guiding principles shall apply to all contributions to GCERF including unrestricted and restricted financial contributions or contributions of goods, commodities and services:

- a. The Board, as the supreme governing body of GCERF, has the authority to make or delegate to other bodies (committees and/or the Secretariat) all financial decisions for GCERF, including on grant-making and the operating expenses budget.
- b. All contributions should be used solely for the purpose of supporting activities (including grant-making and operating expenses) approved by the Board in line with beneficiary country-driven, Board-determined priorities of GCERF.
- c. All donors share responsibility for contributing to the operating expenses of GCERF.
- d. A contribution should not result in unreasonable transaction costs for GCERF, substantial changes to GCERF systems and processes, or the responsibilities of the Trustee, or any deviation from GCERF rules and procedures.
- e. The majority value of financial contributions to GCERF should be unrestricted.

- f. Any restrictions on the use of contributions must be recorded in writing and signed by both GCERF¹ and the donor. Verbal agreements of restrictions between GCERF and its donors that are not recorded in a contribution agreement are prohibited.

4. Restricted Financial Contributions

4.1 Definition

For the purpose of this Policy, “restricted financial contributions” (sometimes referred to as “targeted funding” or “earmarked funding”) has the meaning assigned by accounting standards applicable to contribution income, i.e. contributions that have been provided by a donor with specific restrictions on how they may be used by a recipient.

4.2 Restricted Financial Contributions for Grant Activities

The Secretariat may mobilize and accept financial contributions which are restricted to broad categories such as thematic (including, but not limited to, education, professional development, women’s empowerment, etc.) or geographical areas,² provided that:

- a. such restricted financial contributions comply with the Guiding Principles outlined in paragraph 3 above;
- b. any restricted financial contribution is required to allocate a minimum of 15 per cent to fund the budget for the operating expenses of GCERF, as approved by the Board on an annual basis; and
- c. the Secretariat maintains accounting records necessary to record restrictions attached to contributions, identify the expenditure that satisfies such restrictions, and include them in the financial statements to be provided to the Board on an annual basis.

4.3 Restricted Financial Contributions for Operating Expenses

The Secretariat may mobilize and accept restricted financial contributions for use to pay operating expenses. Such restricted financial contributions may be made either directly to GCERF or to third parties in payment for the liabilities of GCERF, provided that such contributions comply with the Guiding Principles outline in paragraph 3 above.

¹ Signing authority for GCERF is specified in the Bylaws.

² Note that due to Guiding Principle 3b above, during the pilot phase, geographical restrictions on contributions will only be accepted for those pilot countries or particular initiative/window approved by the Board.

5. Contributions of Goods, Commodities, Services and Staff

The Secretariat may accept contributions of goods, commodities, services and staff for its operations, provided that such contributions:

- a. comply with the Guiding Principles outlined in paragraph 3 above; and
- b. are determined by the Executive Director to be of benefit and use to the Secretariat.

The secondment or loan of staff to the Secretariat shall be subject to the human resources policies, rules and procedures, as well as the policy on ethics and conflicts of interest to be approved by the Board.

6. Contributions Committee

Any waivers from this Policy may be granted by a Contributions Committee to be established. The terms of reference of the Contributions Committee, including its membership, shall be subject to approval by the Board.

7. Financial Rules

GCERF's financial rules, policies and procedures will include provisions addressing restricted and unrestricted financial contributions and contributions of goods, commodities, and services in compliance with international accounting standards.

8. Review

This Policy shall be reviewed by the Board two years from the date of its approval.