



**PHILANTHROPY IN BUSSINESES
GUIDE TO CORPORATE GIVING – LITERATURE REVIEW**

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1. INTRODUCTION

In recent years, international donors have begun withdrawing their support as Vietnam has become a middle-income country. Therefore, the long term resources needed to address Vietnam's development challenges will have to come from domestic sources. As many western businesses directly seek business advantages from their charitable activities, the majority of Vietnamese companies do not ask for anything in return for their philanthropy. The main problem is a lack of strategic planning, as donations to charitable causes are often ad hoc, and motivated by a boost in profits or a sudden natural disaster. Vietnamese businesses can improve their reputation and prestige by investing in the civil society. However, in order to improve the volume and the quality of corporate giving in Vietnam, they will need to better understand and appreciate the value of corporate philanthropy to their businesses. If businesses are able to see giving as more than just altruism and start planning on a long term basis, they will find that they have healthier customers and activity will increase. CSOs and NGOs have the potential to play an important role in achieving this shift to the mutual benefit of both themselves and the domestic businesses, but in Vietnam only 9% of businesses said that they had worked with NGOs. They are viewed with suspicion, perhaps because corruption is high in many Vietnamese institutions.

The Asia Foundation (TAF) has conceptualized the project *"Developing a Sustainable Civil Society Sector in Vietnam"*. It has three objectives, each of them aimed at developing domestic resources to sustain Vietnam's civil society sector: First, to strengthen the fund raising strategy and capacity of CSOs in Vietnam; second, to promote business understanding and engagement with strategic giving; and third, to support advocacy for an improved policy environment for CSOs funding. This guide developed by the CED is a component of the second objective and aims at promoting engagement and awareness amongst the business community.

2. PHILANTHROPY DEFINITIONS

In 2011, a Council on Foundations working group on Defining Philanthropy's Role in Society redefined philanthropy as "the independent, innovative investment in community building". The word "investment" is used to express that by promoting social change, businesses will reach benefits such as new markets or better image.

Philanthropy is different from charity in its scale; it is usually much bigger in capital and organization.¹ Corporate philanthropy is simply philanthropic work that businesses are involved in. Nevertheless, it is necessary to explore subtle differences in other definitions of the term that will help to better understand the phenomenon and to know exactly what one should aim for. *For instance, the web dowelldogood* includes the fact that it is carried out without any expectation of direct benefits to the business but often involves indirect gains². Corporate philanthropy platform *causecast* makes an important point: that philanthropy is not the same thing as Corporate Social Responsibility (CSR).³ In fact, corporate philanthropy is a *part* of CSR. For clarity, CSR is the overall social strategy of the whole business, including every department. Corporate philanthropy is a narrower concept based on a select few nonprofits and charitable work.

The approaches to corporate philanthropy range from traditional responsive philanthropy such as grants or matching gifts, to strategic philanthropy. It also includes more integrated approaches designed to influence a full range of business assets (product, people, and brand) to create value for both the business and society. The usual system is direct giving to an organization. It can be cash or non cash giving. Cash giving can be used for hiring volunteers or for the acquisition of capital such as equipment, etc. Non cash contributions are either in-kind contributions consisting of supplies and property, or loaned talent.

To summarize, corporate philanthropy is significant charitable activity conducted by businesses. This activity usually targets the causes of problems, rather than immediate concerns. However, ad hoc cash donations from businesses would still constitute corporate philanthropy. Corporate philanthropy is often part of a wider strategy for businesses that focuses on the well-being of citizens in the area or further afield. This wider strategy is referred to as Corporate Social Responsibility (CSR) and most western companies have their own policies in relation to this. Corporate philanthropy can be worked on directly by a business, or by a foundation which operates on their behalf, and is not usually carried out in order to receive direct benefits to the business itself.

¹ <http://www.investopedia.com/terms/p/philanthropy.asp>

² <http://dowelldogood.net/?p=531>

³ <http://www.causecast.com/blog/bid/211476/Corporate-Philanthropy-Definition-Volunteer-and-Fundraising-Edition>

3. THE CURRENT CHALLENGES OF CORPORATE PHILANTHROPY

3.1. The current of international corporate philanthropy

Corporate foundations are well situated to exemplify philanthropy as an innovative investment in society because businesses are driven by innovation and change and they are accountable for results. Moreover, having the ability to accommodate to growth is essential for their success. This review of the current state of corporate philanthropy reveals that corporate giving practices and methods can be improved. There is a need for those who work in corporate foundations and giving programs to face several challenges that will ensure the company has a greater positive impact on society. Below are the main challenges found:

1. Professionals in the field neither effectively communicate the value and impact of corporate philanthropy to the public nor collaborate or share knowledge.

Corporate philanthropy faces a communications challenge, both within the business and with the public. Philanthropy is seen by the public as “charity”, or “doing good” and associated with marketing initiatives viewed as image cleaning. There is also little understanding between NGOs and governments on how businesses work caused for a lack of communication. Companies recognize that they cannot make a significant difference on a social issue working alone, but there is a lack of collaboration with corporate peers. Moreover, inadequate measurement standards mean that little knowledge exists about the impact of corporate philanthropy either within companies, between companies, or on the public.

2. Integration of philanthropic activities with the business can present significant challenges.

Global companies entering or operating in emerging markets are asked to address systemic social challenges and help build economic and social infrastructure. This requires a different approach to philanthropy than simply support for charities. It requires companies to find new ways to align their philanthropy with the core business to create a larger impact. Many practitioners say they are isolated and marginalized within their firms, regarded by their corporate peers as tangential to the business. This frustrates their efforts to reach out and collaborate with their internal colleagues. At the same time, for businesses that have successfully aligned their corporate foundations or giving programs, a constant tension and balancing act can impede solutions that support business goals while safeguarding the reputation of their philanthropic programs from the legal concern and public perception of “self-dealing.”

3. The field lacks leaders and corporate giving programmes are isolated from the rest of the company.

When it comes to aligning philanthropy with the business, structure matters. The position of the giving function within the company influences the company’s ability to leverage internal assets and creatively mobilize resources beyond dollars. The practice of corporate philanthropy focuses primarily on managing

contributions. Most corporate philanthropy professionals report through the public affairs department or human resources. The professional skills required to succeed in the corporate philanthropy role are evolving: Intimate knowledge of the business as well as of the community and society is increasingly essential to maximize social impact across the corporate enterprise. This can present a challenge for professionals coming from outside the business world into corporate philanthropy.

4. Measurement and return on investment (ROI) remain critical challenges. As corporate leaders look to create greater value from philanthropy, measurement is an increasingly critical issue. This includes effective assessments of both the social and business impact of philanthropy (for example, impact on employee recruitment and retention, customer loyalty, and so forth). benchmarking against other companies performance is basic for improving, but many companies do not communicate this. Actually, consumers are reported lately to demand greater transparency in the companies community involvement.

5. At present, there is no international unifying mechanism consensus based in tax law on what characteristics describe a charitable institution. Without a common thread among countries, companies—individually and collectively—are unable to consistently track and benchmark total global giving to these institutions around the world.

3.2. The current of corporate philanthropy in Vietnam

1. Low awareness: The Asia foundation writes articles and academic material based on the development of Asia. In an article of 2011 that analyzed philanthropy in Vietnam⁴, the authors state that awareness of corporate philanthropy is very low, giving being much higher in Ho Chi Minh City than in Ha Noi.

2. Lack of planning: Another problem in Vietnam is a lack of strategic planning, CSR being an alien concept; donations to charitable causes are often ad hock, and motivated by a boost in profits or a sudden natural disaster. Very few businesses plan ahead with their charitable work, and most of the donations that are actually given are at the behest of company bosses.

3. Different corporate development: Vietnamese businesses are still growing and are not as developed as their western counterparts yet. Consequently, They are still reluctant to think of philanthropy as part of an ongoing corporate strategy and as promotion of their good practices.

4. Lack of transparency and neglect of NGOs prevent strategic giving: Another huge stumbling block in the growth of the corporate philanthropy is the neglect of NGOs in Vietnam. Businesses almost never utilize NGOs on an almost universal scale. A reason for this is that they do not trust the transparency of the channels through which donations are made. Businesses are willing to engage in more charity, according to the cited article from

⁴ <http://asiafoundation.org/in-asia/2011/10/05/examining-the-giving-instinct-philanthropy-in-vietnam/>

Asia Foundation. Nevertheless it is essential to first ensure that companies have transparent, corruption-free fundraising channels.

4. AGENDA FOR DEVELOPING MORE EFFECTIVE CORPORATE PHILANTHROPY PROGRAMMES

The following measures are proposed that address the challenges cited above;

1. Create a new narrative for corporate philanthropy as an investment in society

- **Advocacy efforts:** Raising awareness is as important as the giving itself. Change is never achieved without advocating activities such as educating the public or direct lobbying.

-**Empowering the local communities:** Don't treat individual community members just as recipients of charity. Instead, view them as *participants* in the process of solving problems for themselves. Consult individuals for ideas and involve them in campaigns to create change at the neighborhood, regional, national, or even global level.

2. Develop an inclusive "operating system" for philanthropic investment

The "**investment portfolio**" model can be corporate philanthropy's new operating system. It considers three complimentary, multi-level categories of investment; Responsive, Strategic, and Catalytic, which enable giving program to align with and engage other resources in the business to create greater impact and benefit for both society and enterprise. Firstly, **Responsive Philanthropy** provides incremental support to several local causes and demonstrates to employees, customers, and other stakeholders that a company is compassionate and caring. Secondly, **Strategic Philanthropy** consist on Philanthropic investments managed to achieve results that directly align with the company's business interests. Lastly, **Catalytic Transformative Philanthropy** supports long term initiatives driven at large-scale change and complex social challenges.

Management of the philanthropic programme should be aligned with the interests of the business and consequently integrated into the business strategy.

Annex 1 provides a small guide for businesses to help choosing an adequate program, investment portfolio and effectively managing it.

3. Professionalize the field

In order to manage a successful philanthropic function that is integrated with and essential to the business strategy, it is necessary to have field leaders. That is, professionals in corporate giving working at leadership level inside the enterprise. Annex 2 includes a detailed job description, listing responsibilities, required skills, competencies, areas of knowledge.

As a help for further professionalizing the field, The Standards of Excellence in Community Involvement, developed by the Boston College Center for Corporate Citizenship are outlined in Annex 3. They list all the criteria that corporate giving professionals in leadership level should aim to meet when managing a CP program.

4. Improve collaboration, communication, and knowledge sharing in the field

Firstly, companies have to develop methods to assess the effectiveness and impact of its

community involvement and use the results for continuous improvement. ROI have to be also measured in order to ascertain impact. It is essential that the results are later communicated so the different organizations in the field are able to learn with one another more effectively and build collaborations to achieve leverage and scale. Secondly, communication mechanisms should be developed in order to regularly receive feedback from internal and external stakeholders such as NGOs, governments and CSOs in order to assess the impact of current giving programmes and search for new opportunities. Communications will also be directed to engage and build collaboration with external stakeholders to advance community involvement strategies.

Annex 4 includes a brief communication strategy to ensure transparency

5. Develop international consensus based in tax law on what characteristics describe a charitable institution

This consensus doesn't exist yet. Nevertheless, the "Global Guide for international Giving" has established three global criteria that will help cross-border corporate giving programs:

i. The recipient must be formally organized

Primarily through recognition as a legal entity by the standard of the country in which it is headquartered.

ii. The recipient must exist for a charitable purpose.

These activities are globally accepted as charity Education, health care and human services such as children care or adult day programs. The following are mostly everywhere accepted: Mental Health and Crisis Intervention, Environment, Public Safety, Disaster Preparedness, and Relief, Voluntarism, Grant Making Foundations, Youth Development, Community Improvement and Medical Disciplines.

iii. The recipient must never distribute profits.

To satisfy this criterion, a recipient's finances must be managed exclusively to produce a charitable benefit.

Annex 5 provides sample questions from **the Regulatory Environment Survey (RES)**, that can be checked for compliance with the criteria that a charitable institution has to agree with.

5. AGENDA FOR VIETNAM: WHERE WE NEED TO GO

The whole situation in Vietnam is changing as foreign investors are withdrawing. Domestic philanthropists must look to new strategies if their work is to be sustainable and benefits larger groups of people. This section outlines some measures to respond to the challenges that corporate giving faces in Vietnam.

1. Raise awareness by peer to peer learning: Learn from the philanthropic efforts of international corporations with local branches in Vietnam

Strategic giving is a concept that is better understood and valued by western companies. Consequently, those with branches in Vietnam had gotten developed local philanthropy projects. Business associations can help to educate Vietnamese businesses and bring in new investment, and perhaps their influence can make local businesses think more about Corporate Social Responsibility.

To be most effective, peer to peer learning needs three tiers of setup: local/regional peer to peer networks for groups to work on local issues, national networks to make sure that local efforts are sustainable, and international networks to set overarching goals which provide broader inspiration and techniques. If philanthropists engage with all these stages, then they can be inspired and inspire each other on all aspects of charitable giving. The setup also allows for the work of philanthropists to be publicized; and this not only good for business, but also adds an extra dimension into a corporation's strategic giving program.

Annex 6 provided a list of resources for businesses on CP in Vietnam

2. Promote the involvement of NGOs and government

Providing resources and platforms to businesses suddenly will not help anything unless businesses are educated about the benefits to them of philanthropy. It is therefore proposed that NGOs, with the help of government where possible, and remaining international aid, run extensive classes for businesses on the benefits of corporate philanthropy, especially of strategic giving. These lessons can focus on reputation advantages, staff attraction advantages, or employee engagement advantages. Once these lessons have started to be absorbed, the priority should then be focused on providing platforms, websites and channels for connectivity and networking. In the meantime, it is important to continue and consolidate the education of businesses both big and small. Once some businesses are well versed in philanthropy matters, the status of corporate giving can grow and influence others; allowing more platforms for businesses to gather information on giving. In time, perhaps corporate philanthropy can flourish in Vietnam. Indeed, this process has already begun as the Kenan Institute Asia has opened a Hanoi office.

Annex 7 provides a list of resources for NGOs in Vietnam

3. Creating field professionals: Increase communications and collaboration in order to embed CP in the corporate culture.

A key aspect in the practice of philanthropy is the existence of organizations between NGOs and businesses. Conferences, websites and ongoing platforms should exist for businesses to display their charitable activity, and for charitable causes to court for the attention of

businesses. These platforms can make philanthropy more efficient and well-connected.

There is also need for more literature on the work of NGOs and charitable foundations in order to publicize their work. Even local NGOs can do so in their own website and by developing publicity materials. Philanthropy publications dealing with all aspects of charitable giving will allow other platforms to share ideas. Like Vietnamese businesses, the start of philanthropic efforts is often dependent on the CEO or boss, but once this has been affirmed, the organization of corporate philanthropy can become embedded within the culture of the business.

6. GOOD PRACTICES EXAMPLES

6.1. Good practices examples of international corporate philanthropy

CISCO: an example of a focused social investment portfolio.

Cisco describes its philanthropic strategy: “Our social investment strategy prioritizes the areas where we believe our technology and our people can make the biggest impact. The emphasis is on partnerships with others that make a lasting difference.... We take a results-oriented approach to corporate social responsibility (CSR) by compiling a strong portfolio of social investments and continually assessing how well they perform.” Cisco Networking Academy program started as an equipment donation program to help schools in California. The problem was that that school administrators lacked the knowledge and skills to manage the donated equipment, so Cisco launched an employee volunteer program to train teachers and students to build and maintain computer networks. In time, company executives to realize that they could develop Web-based resources to train and certify a new generation of network administrators.

IBM: effective collaboration with relevant stakeholders.

“We started by focusing on our core capabilities in technology and business development and asked our stakeholders which of their priorities could potentially be met from these. This helped to redefine the core mission of our philanthropy around the intersection of the company’s capabilities with critical societal needs defined by government agencies, NGOs, our clients, business partners, and employees. These were also relevant to our business development. We then developed a set of strategic programs to address some of the major issues identified.” IBM engages researchers and consultants working with government, private enterprise, and nonprofits to shape an innovative new approach to solve a problem.

CAMPBELL’S SOUP; Strategic Philanthropy

Campbell Soup’s support for the American Heart Association’s Go Red for Women movement is a good example of Strategic Philanthropy aligned with consumer relations. GO for Red Women raises awareness about the high killing rates of heart diseases in American women, and Campbell supports them with marketing and advertising. Go Red for Women raises awareness about heart disease. Campbell Soup complements its philanthropic support with social marketing and advertising. At the same time, the company benefits by being able to develop and market a line of products designated as heart healthy.

ARCELOR MITTAL: Environmental protection and a better public image.

ArcelorMittal is a global steel manufacturer and mining company, so environmental concerns are always affecting its activities and reputation. In order to address this challenge, the American National Fish and Wildlife Foundation helped building collaboration between the Arcelor Mittal USA Foundation and federal agencies. Combining private and public funding with local and voluntary efforts, the program by 2011 attracted more than \$42 million in total conservation investments. Moreover, Arcelor Mittal’s reputation as an environmental steward has significantly improved.

More Case studies of Corporate Philanthropy can be found at www.cof.org/corporateguide

6.2. Examples of corporate philanthropy in Vietnam

While international investment in Vietnam has decreased, there is still numerous examples of multinational companies that do invest in Vietnam, and most of these have operations in the country as well.

Unilever : A huge multinational corporation based in both the UK and The Netherlands. They have helped Vietnam through two channels – their global foundation and their Vietnam foundations. Funds are undoubtedly shared between the Vietnamese and international departments. The domestic body runs the Unilever Vietnam Foundation, whose aims are to improve the health and hygiene of the Vietnamese, as well as the advancement of social corporate responsibility through grants to charities and organizations. The application process is open and available of the website. As an example, the HCMC Recycle Fund was given 250 million Vietnamese Dong in 2012 to promote recycling initiatives in and around Ho Chi Minh City⁵. In total, 14 grants were given in 2012.

Unilever's international philanthropy programs have also benefitted Vietnam on occasions. For instance, Unilever ran a campaign in 2012-2013 that included providing soap and educating on the use of disinfectants. They utilized social media and included the twitter hash tag #IWashMyHands in order to attract interest.

As we can see in this case, International business, then, can take part in corporate philanthropy in Vietnam in an international context, as well as by utilizing an existing business presence in the country. This kind of work has a positive effect on company's image too⁶, and consequently, with the adequate publicity, other companies may be encourage to get involved.

Prudential : The UK-based insurance firm has a large and growing presence in Asia. In 2011 it created a foundation to advance corporate social responsibility for their Asian operations⁷. This allows them to focus on pan-Asian efforts such as disaster relief and preparedness. They do this via hosting international Forums and working with local NGOs to accommodate their philanthropy. Additionally, Prudential works with a Vietnamese local foundation since 2003 on issues such as education, healthy living and community support. Their work in education, for example, has included sponsorship of handwriting competitions designed to give students a business advantage, as well as supporting Vietnamese students to study at UK universities.⁸ Many of their campaigns work with local governments or NGOs and involve sponsorship or cash giving. They have also helped to build houses and offer food gifts to those in need, as well as supplying medical supplies.

⁵ <http://www.unilever.com.vn/aboutus/foundation/aboutunilevervietnamfoundation/Unilever-Vietnam-Foundations-Annual-Grant-Scheme-2012/2012winningprojects/index.aspx>

⁶ <http://www.telegraph.co.uk/earth/environment/10188164/Unilever-plans-to-double-its-turnover-while-halving-its-environmental-impact.html>

⁷ http://www.prudentialcorporation-asia.com/corp/prudential_en_pca/foundation/prudencefoundation/index.html

⁸ http://www.prudential.com.vn/corp/prudential_en_vn/header/aboutus/CSR/HoTroGiaoDuc/index.html

BNP Paribas: They work within Vietnam as well as running a select few pan-Asian campaigns; BNP promotes their charitable efforts in their own philanthropic blog publication. Their work within Vietnam mostly deals with grants and campaigns already listed on the international philanthropy scale. Although there is no easily identifiable staff structure to their Vietnamese philanthropic work, their philanthropic work does nevertheless directly affect the area.

Fuji Xerox: Fuji Xerox is a joint venture company between Fujifilm of Japan and Xerox of the USA. They operate in Asia developing Xerox printing, and have offices in different countries. The Vietnam centre for Fuji Xerox work with other agents on the provision of their philanthropy, and the level of detail in their reports would indicate a high level of involvement. Moreover, the Fuji Xerox staff themselves actually get involved. For instance in 2013, their Hanoi branch the made food donations and helped to clear up their garden spaces at the Centre for Tending The Old and Disabled Children.⁹

⁹ <http://fujixerox.com.vn/company-us/sustainability/community-activities/#2013>

7. ANNEXES

ANNEX 1: Redefining your Company's giving program

1. Choose your giving program's focus.

Here are some questions to consider in determining your program's focus: Remember: the goal is to align your business interests and strengths with the needs of the community in order to have better impact on it.

- What social issues matter to our external stakeholders when they think about our company's impact on their lives and on their communities? On what issues do they look to us for leadership?
- What are your current business interests? What are your future business needs?
What role does your company want to play in the community?
- How can philanthropy help us build relationships with the stakeholders with whom we need to engage in the markets that matter to us?
- What is the full inventory of assets, competencies, and resources our company can offer? How can our marketing power address this issue and engage the public on the issues that matter to us? How can our philanthropic work take advantage of the skills and talents of our employees?
- How can we measure our impact for the business and society? What baseline can we use to measure our impact?

2. Assess which operating system fits your company best.

For those just beginning:

- Reflect and consider which model for philanthropy as An investment in society is appropriate and what that means for you and your company. What feels right about it and what doesn't?
- Discuss this guide with your peers in other companies and with regional grant maker associations. What is their perspective on this agenda for change?
- Engage others in your company in a discussion on where you want to go and what's working and not working with your current model for philanthropy. Think about the last transformation your company went through. What was the "change management" process that made it successful? What could apply here?

Key steps for companies considering Catalytic philanthropy:

- **Identify a stubborn challenge and address it for the long term.** Stepping up to tackle "big" problems that are clearly important to society's welfare and that require substantial resources sends a signal to internal and external constituencies that this initiative is deserving of the company's attention and will require large-scale collaboration.
- **Contribute "what we do."** Finding ways to leverage core capabilities, products, and

services opens the door to collaborations with internal colleagues.

- **Contribute specialized services to a large-scale undertaking.** Companies have the greatest social impact when they make specialized contributions to large-scale cooperative efforts. Although it is tempting for a company to identify a specific cause that will be associated only with its own contribution, such a strategy is likely to be viewed as a “pet project,” not as a contribution to a larger problem where a range of players have an important stake and role to play.
- **Weigh government influence.** Government support or willingness to remove barriers can have an important positive influence and incentivize collaborations. Tax incentives, liability protection, and other forms of direct and indirect support can help.
- **Assemble and value the total package of benefits.** Companies gain the greatest benefits from their social contributions when they put a price on the total benefit package.

3. State your Budget:

Base your giving budget on a pre-established formula calculated as a percentage of pre-tax net profits. In small companies the average is around 1-10 %.

4. Create a giving structure:

Decide on a company sponsored foundation, a direct giving program (company controls and operates program), or donor-advised fund.

ANNEX 2: Developing field leadership

JOB DESCRIPTION OF SUCCESSFUL CORPORATE PHILANTHROPY PROFESSIONALS

Responsibilities

- o Set goals and strategies that align with business objectives and create measurable impact for the community and business.
- o Build internal partnerships and seek opportunities for meeting shared business goals.
- o Inventory and analyze existing community relationships, volunteerism practices, and other outreach partnerships to ensure alignment.
- o Create and maintain strategic partnerships with key community groups and NGOs.
- o Represent the company with multilateral organizations, donors, and NGOs.
- o Raise internal and external awareness about community involvement work.
- o Engage and motivate employees to participate in community involvement.
- o Track and measure inputs, outputs, and impacts of programs.

Competencies

- o **Optimistic passion.** Draws on optimism and conviction to build and support community involvement programs that are designed to make a difference and inspire and engage others.
- o **Balanced perspective.** Looks at issues from multiple perspectives with a sense of fairness and balance, seeing both business and social realities.
- o **Strategic thinker.** Thinks strategically and creatively, connecting the dots to find the ideal intersection between community needs and business resources.
- o **Collaborative networker.** Uses empathy and interpersonal understanding to build mutually beneficial relationships and connect and engage diverse groups of people.
- o **Influential communicator.** Leverages organizational awareness and interpersonal communication skills to influence others to engage with and offer support to community initiatives

Building on these competencies, three main **categories of knowledge** are highly important for success in this role:

- o *Knowledge of the field of community involvement*—existing benchmarks and industry standards and best practices, legal guidelines, major social trends, key institutions in the sector
- o *Knowledge of the business*—business strategy products and/or services, structure, and culture of the company
- o *Knowledge of stakeholder groups and interests*—local, national, and global stakeholders (as appropriate) concerned with the business and its impacts on society, consumer and stakeholders' attitudes, deep awareness of groups material to the business

Required skills include:

- o Financial planning
- o Strategic planning
- o Managing teams and developing staff
- o Project management and execution
- o Evaluation and measurement
- o Written and oral communication

ANNEX 3: The Standards of Excellence in Community Involvement

The standards follow:

- o **Leadership.** My company actively helps to define needs, and initiate meaningful change around community and societal issues.
- o **Strategy.** My company plans its community involvement and leverages its capacities and strengths to deliver meaningful value to society and to the business.
- o **Integration.** My company engages all facets of the business to contribute to and realize the benefit from community involvement.
- o **Infrastructure.** My company consistently provides resources and support to ensure the successful execution of its community involvement strategy.
- o **Performance management.** My company assesses the effectiveness and impact of its community involvement and uses the results for continuous improvement.
- o **Communication.** My company actively and openly communicates in order to inform, influence, and engage internal and external stakeholders.
- o **Community relationships.** My company engages and collaborates with external stakeholders to advance its community involvement strategy.

ANNEX 4: Communications for transparency

Communications strategy to improve transparency:

1. Design a contact person
2. Create Written guidelines: They should be divided in two sections: The first section should list the giving criteria, such as location, type of organization, type of giving, tax status, resources and deadlines. The second section should include application procedures.
3. Communicate your givings ad giving guidelines: communication mechanisms are emails, internal memos and posts on the program's website.
4. Monitor givings by, for instance, requesting reports or visiting sites and keep record of them.

ANNEX 5: Defining a Charitable organization

Regulatory Environment Survey (RES) Sample Questions

The Regulatory Environment Survey (RES) included approximately 90 questions. Below is a sampling.

A. Defining Charitable Organizations:

- What types of not-for-profit, non-governmental organizations exist in the country?
- Is there an agency within your country that defines Charitable Organizations? If so, please reference the agency. (Is this determination solely or partially based on laws and regulations enacted at the national or subnational (i.e., local) level of the country?)
- To be considered a Charitable Organization, must the nonprofit organization have been organized or operate exclusively for one or more specified purposes? Please describe such purposes.
- What types of activities prevent an organization from becoming a Charitable Organization or result in the disqualification of an otherwise Charitable Organization (a "Disqualifying Event")?
- Has a Disqualifying Event occurred if: Any portion of the Charitable Organization earnings inures to the benefit of any private shareholder, individual, or company? If not, to what extent may the earnings of the Charitable Organization inure to the benefit of any private shareholder, individual, or company?
- If the Charitable Organization may engage in profit-seeking activities, are such profits subject to taxation and/or do they affect the Corporate Donor's tax benefit?
- What types of not-for-profit, non-governmental organizations exist in the country?
- Is there an agency within your country that defines Charitable Organizations? If so, please reference the agency. (Is this determination solely or partially based on laws and regulations enacted at the national or subnational (i.e., local) level of the country?)

- To be considered a Charitable Organization, must the nonprofit organization have been organized or operate exclusively for one or more specified purposes? Please describe such purposes.
- What types of activities prevent an organization from becoming a Charitable Organization or result in the disqualification of an otherwise Charitable Organization (a “Disqualifying Event”)?
- Has a Disqualifying Event occurred if: Any portion of the Charitable Organization earnings inures to the benefit of any private shareholder, individual, or company? If not, to what extent may the earnings of the Charitable Organization inure to the benefit of any private shareholder, individual, or company?
- If the Charitable Organization may engage in profit-seeking activities, are such profits subject to taxation and/or do they affect the Corporate Donor’s tax benefit?
- Has a Disqualifying Event occurred if an otherwise Charitable Organization does not operate exclusively for the public benefit?

B. Financial Reporting and Administration

- Please describe where cash and cash equivalent donations to Charitable Organizations are reported on a Corporate Donor’s financial statements.

C. Financial and Regulatory Reporting Considerations

- Please describe how non-cash contributions are valued for financial reporting purposes.

D. Financial Reporting Valuation

- Is a Corporate Donor required to obtain an independent appraisal of such property for financial reporting purposes?

E. Tax Benefits and Incentives

- May a Corporate Donor obtain any tax benefits for donating cash or cash equivalents to a Qualifying Charitable Organization? If so, please advise regarding the type of benefit conferred (i.e., a deduction, credit, or other tax benefit).

F. Cross-Border Issues: Financial Reporting and Administration

- Please describe how property donations, including donating the temporary use of such property, to organizations that are not organized in, or residents of, the Corporate Donor’s country of incorporation are reported on a Corporate Donor’s financial statements.
- May a Corporate Donor rely on a treaty or reciprocity agreement with another country as the basis for claiming some or all of the above-mentioned tax benefits?

ANNEX 6: Resources for businesses in Vietnam

The LIN Centre for Development¹⁰ – LIN operates in a similar manner to the council on foundations from the USA, but is focused on Ho Chi Minh City and the surrounding areas. It aims to create a healthy environment for philanthropy. They not only support charitable projects directly themselves, they also assist corporations with their giving and try and strategize it. They provide workshops, networking events and volunteer placements. They have made good progress and have attracted more than 30 corporate partners, but this kind of work is still in its infancy.

Vietnam Causes¹¹ - This site lists many different NGOs, mostly from around Ho Chi Minh City. If it were to be expanded and promoted as part of a general corporate philanthropy toolkit then businesses might collaborate more often with NGOs, this making their philanthropy more strategic.

Vietnam Development Information Center (VDIC)¹² – The VDIC provides a library service for anyone who requires it. They stock literature on community development and investment. It would be a vital tool for any business that wanted to get more involved in strategic giving. They also run events in order to bring all this material to more people, and offer video conferences and lessons.

The Asia Foundation - The Asia foundation writes articles and academic material based on the development of Asia. (see Philanthropy in Vietnam¹³ – Corporate Philanthropy in Vietnam¹⁴)

The Asia Foundation - This follow-up article (2013) to the previous example adds some interesting detail. It confirms that Vietnamese businesses very rarely (15% of those that responded) take part in philanthropy in order to improve their image or business strategy. Only bigger businesses tend to give to charitable causes. Links between NGOs and businesses are weak – only about 10% of businesses said they had worked with one. Again, the article includes a link to a more detailed paper. They also give examples of companies that have taken part in philanthropy such as Tôn Hoa Sen, a sheet steel manufacturing company based near Ho Chi Minh City, which reserves 3.5% of profits for charitable activities.

The Kenan Institute Asia¹⁵ - The Kenan institute Asia is a organization based in Thailand which offers training to businesses to improve their Corporate Social Responsibility operations. They run workshops, training and governance lessons, and work directly with companies, including regional operations of multinationals such as Coca-Cola. They have also for the last eight years ran a CSO award scheme which helps to publicize the good work of

¹⁰ <http://www.linvn.org/about-lin>

¹¹ <http://www.vietnamcauses.org/home/index/1/3>

¹² <http://www.vdic.org.vn/en/about-us.html>

¹³ <http://asiafoundation.org/in-asia/2011/10/05/examining-the-giving-instinct-philanthropy-in-vietnam/>

¹⁴ <http://asiafoundation.org/in-asia/2013/12/18/corporate-philanthropy-in-vietnam-promise-among-challenges/>

¹⁵ <http://www.kenan-asia.org/web/>

businesses in the world of philanthropy. They claim that philanthropy as a response to emergencies should still be worked on, but that the emphasis for businesses should be a complete philanthropic strategy through every layer of their business. They have worked with some Vietnamese businesses before, but as of 27th May 2014 they now have their own dedicated Vietnam headquarters based in Hanoi. A promising sign, and perhaps proof that Vietnamese businesses will get more and more exposure to strategic giving.

ANNEX 7: Resources for NGOs in Vietnam

United Nations Vietnam¹⁶ – The Vietnam section of the UN works to improve living conditions of people all over Vietnam. They work in their independent projects, but also in joint projects with other NGOs, governments and businesses. Being credited the UN website means the ultimate validation of their work.

Asian Philanthropy Forum – Vietnam Page¹⁷ – The Asian Philanthropy Forum website lists philanthropic news per country. It is a good resource for businesses to have their philanthropic work highlighted. However, most of the information is focused on NGO work or foreign investment.

The Ministry of Labour – Invalids and Social Affairs¹⁸ This governmental department supports and reports about several charitable causes with the help of international investors. Emphasizing there the work of corporate philanthropy may make businesses more inclined to get involved with giving.

The Vietnam Union of Friendship Organizations¹⁹ – This organizations attempts to be a focal point for the work of foreign NGOs that work in Vietnamese projects. Despite the fact that international charitable investment has fallen in recent years, globalization means that local NGOs will increasingly have to work with their international counterparts. The VUFO organizes events and meetings with international and domestic partners in order to coordinate philanthropic efforts.

¹⁶ <http://www.un.org.vn/en/what-we-do-mainmenu-203.html>

¹⁷ <http://www.asianphilanthropyforum.org/category/countries/vietnam/>

¹⁸ <http://www.molisa.gov.vn/en/Pages/Home.aspx>

¹⁹ <http://www.vietpeace.org.vn/Tasks-Organization-Structure-0201-49.html>

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