

SURVEY OF

NONPROFIT GOVERNANCE

PRACTICES IN BULGARIA

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We would like to express our gratitude to Marilyn Wyatt for her assistance and valuable ideas throughout the whole process.

Dear readers,

Recently we realized that there is a variety of surveys of the non-governmental organizations (NGOs) in Bulgaria, but a detailed research on the structure and management of these organizations has not been done yet. With this aim we contacted BoardSource – one of the leading organizations with significant experience in the sphere of NGO governance. They gave us a model questionnaire which served as a basis for our survey.

The present publication consists of two parts. The first part is a representative sociological survey of the governance of NGOs in Bulgaria. It was executed by MBMD at the end of 2005. It should be noted that it is representative only for the active organizations since out of over 22 000 NGOs registered in Bulstat those that function on a regular basis are considerably less. The sociological survey gives a clear picture of the status of the NGO sector in Bulgaria. Our NGOs are still strongly dependent on foreign sources of funding and the majority of them have limited budgets.

The second part of the publication includes an analysis of the actual legal requirements for the structure, the internal regulations, the prohibition of conflict of interests, etc., which are related to the governance of NGOs. This section would be useful for all active NGOs as it systemizes the separate legal provisions.

This book is dedicated to the fifth anniversary from the founding of the Bulgarian Center for Not-for-Profit Law (BCNL). I would like to use the occasion and express my gratitude to the team of BCNL thanks to which today we have so many friends and partners. I thank the members of BCNL's Board of Trustees who help us choose the right way. We are grateful to all our colleagues and partners who supported us throughout the years.

Of course, we will not forget the assistance of the Bulgarian Charities Aid Foundation – our partners in the Project “An Optimistic Look at NGOs and Domestic Resources”, funded by the Trust for Civil Society in Central and Eastern Europe. We are thankful to the CEE Trust, as well, for generously agreeing to cover the expenses of Marilyn Wyatt - one of the most distinguished experts in the sphere of NGO governance with experience from almost all countries in Central and Eastern Europe.

We hope you will find the book interesting and useful.

Luben Panov
Director
Bulgarian Center for Not-for-Profit Law

I. INTRODUCTION

According to the official statistics 22,366 non-profit organizations have been registered in Bulgaria by November 2005 under the Non-Profit Legal Entities Act.¹ A preferred form for performing non-profit activity is the association (18,305) and less frequently – the foundation (4010). There are 51 affiliates of foreign legal non-profit legal entities. These results show a dynamic increase (by 27% compared to December 2003 or 17,495 organizations²) of the NGOs registered in Bulgaria in the last two years. The increase in the number of associations is higher (29% or 14,154) than that of foundations (21% or 3,308). The branches of foreign organizations have grown by 54% (33).

By December 2005 a total of 4,191 organizations had been entered in the Central Register (CR) of non-profit legal entities pursuing activities for public benefit which represent 18.7% of those registered under the Non-Profit Legal Entities Act (NPLEA). This step is more frequently taken by associations (3,499 or 19.1% of the registered ones) than by foundations (652 or 16.3% of the registered ones). The local affiliates of foreign legal entities are the most rigorous in this respect – 40 (78%) of the 51 registered ones are entered in the CR.

The dynamically expanded non-governmental sector is facing a number of challenges to its existence and development. In this regard, the way in which NGO governing bodies function is essential for the future sustainability of the whole non-profit sector.

This survey aims to study the structure and activity of the governing bodies of NGOs in Bulgaria. The purpose of the information gathered is to support the activities related to improving NGO legislation and to help build models of better organized and more sustainable NGOs in Bulgaria.

¹ National Statistical Institute (NSI), BULSTAT Register, www.nsi.bg

² NSI, Statistics Journal 2004 – BULSTAT Appendix, Sofia, 2005

The survey is assigned by the Bulgarian Center for Not-for-Profit Law (BCNL), partner of BoardSource, Washington³.

Approximately 6% from the organizations included in the initial sample did not participate in the survey for various reasons.

Technical parameters of the survey:	
<i>Data collection methods:</i>	<p><u>Quantitative survey</u> – Respondents were representatives of the organization’s management. The data was collected through interview, questionnaire or a combination of the two methods. During the initial contact with a representative of the organization, the interviewer tried to make an appointment with someone from the management of the organization. If getting an appointment proved to be too difficult, the interviewer suggested sending a questionnaire by email (or bringing it in person) which the representative of the organization would fill in by himself/herself when convenient. The time for collecting the questionnaire was scheduled so that the person who completed it was available. The interviewer browsed the completed questionnaire and asked questions that had been omitted by the respondent, if necessary.</p> <p><u>Qualitative survey</u> – Some in-depth interviews were held with Executive Directors or members of the Management Board.</p>
<i>Sample formation and size:</i>	<p><u>Quantitative survey</u> – The sample size was 401 NGOs. The MBMD database was used for compiling it, and it has been</p>

³ The survey was assigned by the Bulgarian Center for Not-for-Profit Law (BCNL), partner of BoardSource, Washington. The company that conducted the survey is the Institute for Marketing and Social Surveys MBMD. The survey and its methodology have been licensed with permission from the Nonprofit Governance Index, a publication of BoardSource, formerly the National Center for Nonprofit Boards. BoardSource © 2004. BoardSource is the premier resource for practical information, tools and best practices, training, and leadership development for board members of nonprofit organizations worldwide. Through our highly acclaimed programs and services, BoardSource enables organizations to fulfill their missions by helping build strong and effective nonprofit boards. For more information, visit www.boardsource.org.

accumulated over a 6-year period of studies of the non-profit sector. The database contained 2827 NGOs. These were only active NGOs that performed activities in the areas covered by the survey. The sample was stratified according to these areas. The information is representative of the active NGOs operating in the areas covered by the survey. The MBMD used a database of its own since there is a lack of gathered actual contact information of NGOs in Bulgaria which makes the contact with them particularly difficult. Additionally, many of the organizations contacted have ceased or suspended their activity.

Qualitative survey – 16 NGOs have been interviewed. The interviews were conducted in Sofia (10), and three regional cities – Plovdiv (2), Pazardjik (2) and Veliko Turnovo (2). Organizations with a variety of goals and areas of activity were selected, covering both NGOs with staff on a payroll and those with no such staff.

*Period of conducting
the fieldwork:*

10-30 November 2005

Scope:

National

II. PROFILE OF THE NON-PROFIT ORGANIZATIONS

1. Types of non-profit organizations

Four-fifths (81%) of the interviewed NGOs are registered as associations, and the rest - as foundations. The majority of organizations (74%) are designated for pursuing activities in public benefit, as 18% of them are not registered in the Central Register (CR). One-fourth (26%) define themselves as organizations that pursue activities in private benefit.

✓ Almost half (43%)

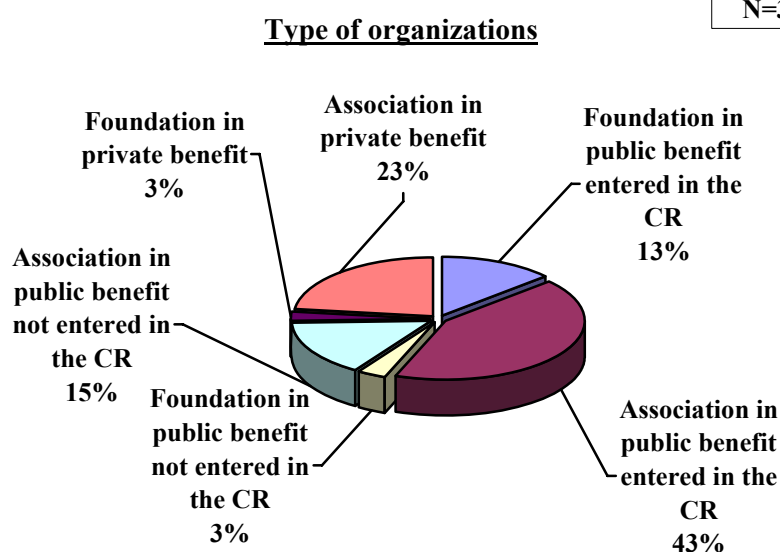
of the interviewed NGOs are associations in public benefit entered in the CR;

✓ Nearly a quarter (23%) are associations in private benefit;

✓ 15% are associations for conducting activities in public benefit, not entered in the Central register. Given the growth of the registered NGOs over the last year, it may be expected that this group is to decrease even more;

✓ The foundations in public benefit, entered in the CR are around 13% of all NGOs;

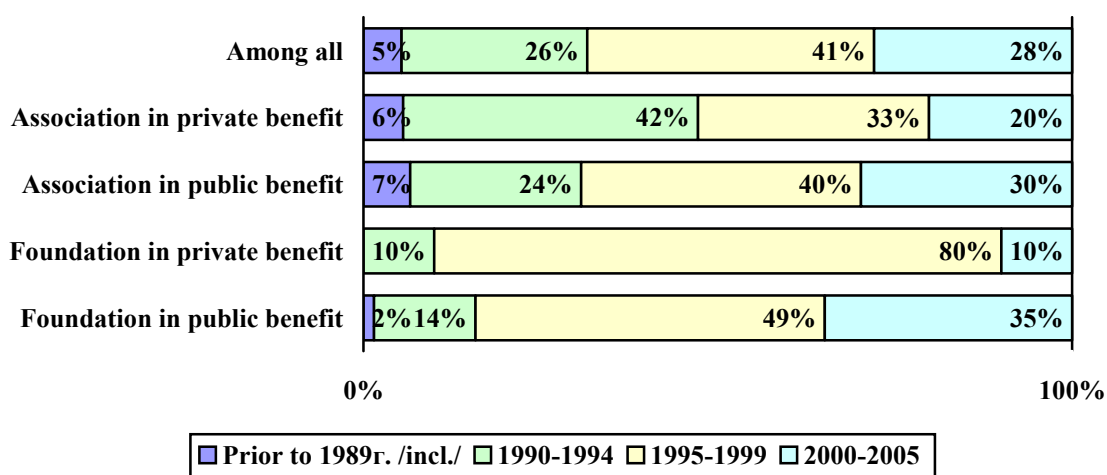
✓ The foundations in private benefit and those in public benefit that are not registered in the CR are the least numerous (3% each).



2. Historical development and areas of activity

The history of the third sector in Bulgaria is relatively short. Its genesis dates back prior to 1989 but its serious development starts after the political changes in 1989. Almost all (96%) of the interviewed respondents have been established after 1990. Around a quarter (26%) of NGOs have started functioning at the beginning of the transition period (1990-94). The largest proportion of organizations (41%) has been registered between 1995 and 1999. And 28% of organizations are extremely

Year of registration by type of organization



young, with an experience of up to five years (2000-2005).

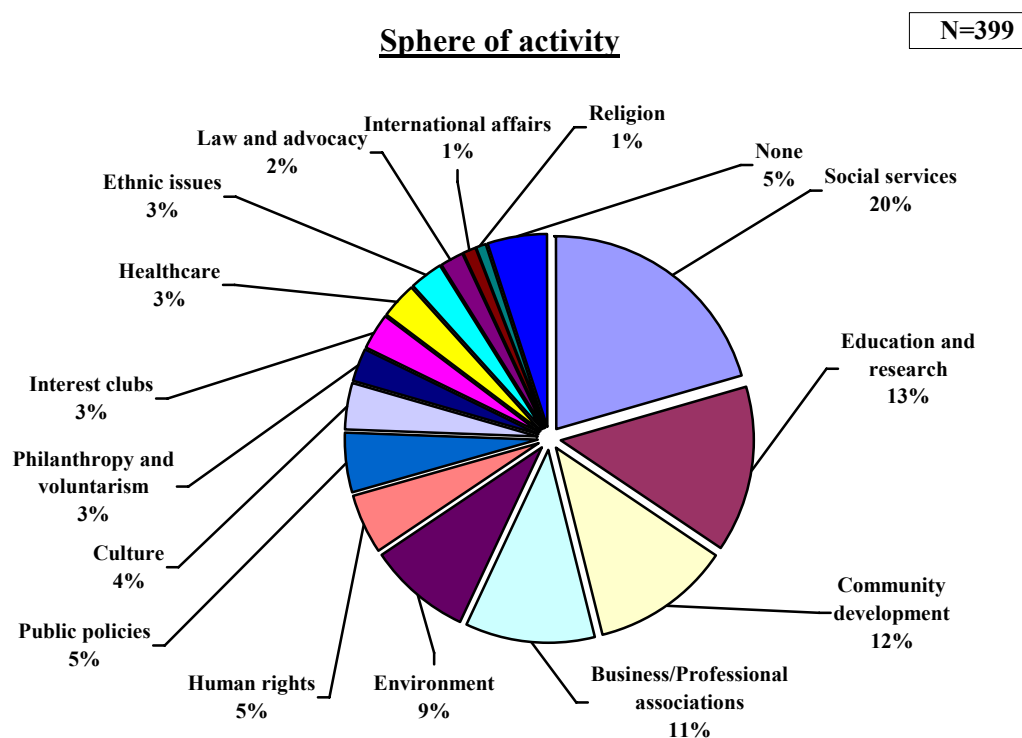
The history of the sector in the period after 1989 shows the existence of long-standing problems like the dependence on international donors, limited possibilities for fundraising from donations, unstable organizational capacity and financial sustainability, need for improving the public image of NGOs, etc.

At the same time, after 2000 some significant changes took place that encouraged the development of the NGO sector as the adoption of a new Non-Profit Legal Entities Act followed by important amendments to the tax legislation that provided benefits to these organizations. The creation of a more favorable legal framework for NGOs gave them the opportunity to become more serious stakeholders in the decision-making processes at the national and local level, to increase their advocacy skills and to build networks and coalitions that better protect their rights in society.

The above information is confirmed by the statistical data regarding the sector. According to the BULSTAT Register, towards the end of 1999 there were 1795 foundations in the country and 6521 associations. By November 2005 the foundations are 3984 and the associations - 18146.

Associations are the older organizational form in the third sector – their average age is 11.9 years, while that of foundations is 7.3 years. Associations in private benefit, apart from being the second biggest group of NGOs, also have a longer experience – nearly half of them (47%) have been established prior to 1994. The youngest group is the foundations in public benefit – over one-third of them have been set up in the last five years.

It is a typical feature of the third sector in Bulgaria to cover a wide range of



activities. Yet, there is a high concentration in certain areas. The activity of two-thirds (67%) of the organizations is focused in five spheres. The majority of NGOs pursue activities in social services – this is a key workstream for nearly one-fifth (20%) of the organizations interviewed. Those dealing with the problems of education and research are around 13%. A similar portion of organizations work on community development (12%), business/professional associations (11%) and environment (9%).

The leading position (in terms of number of organizations) of social services in the third sector is a clear indication that Bulgaria still cannot overcome the

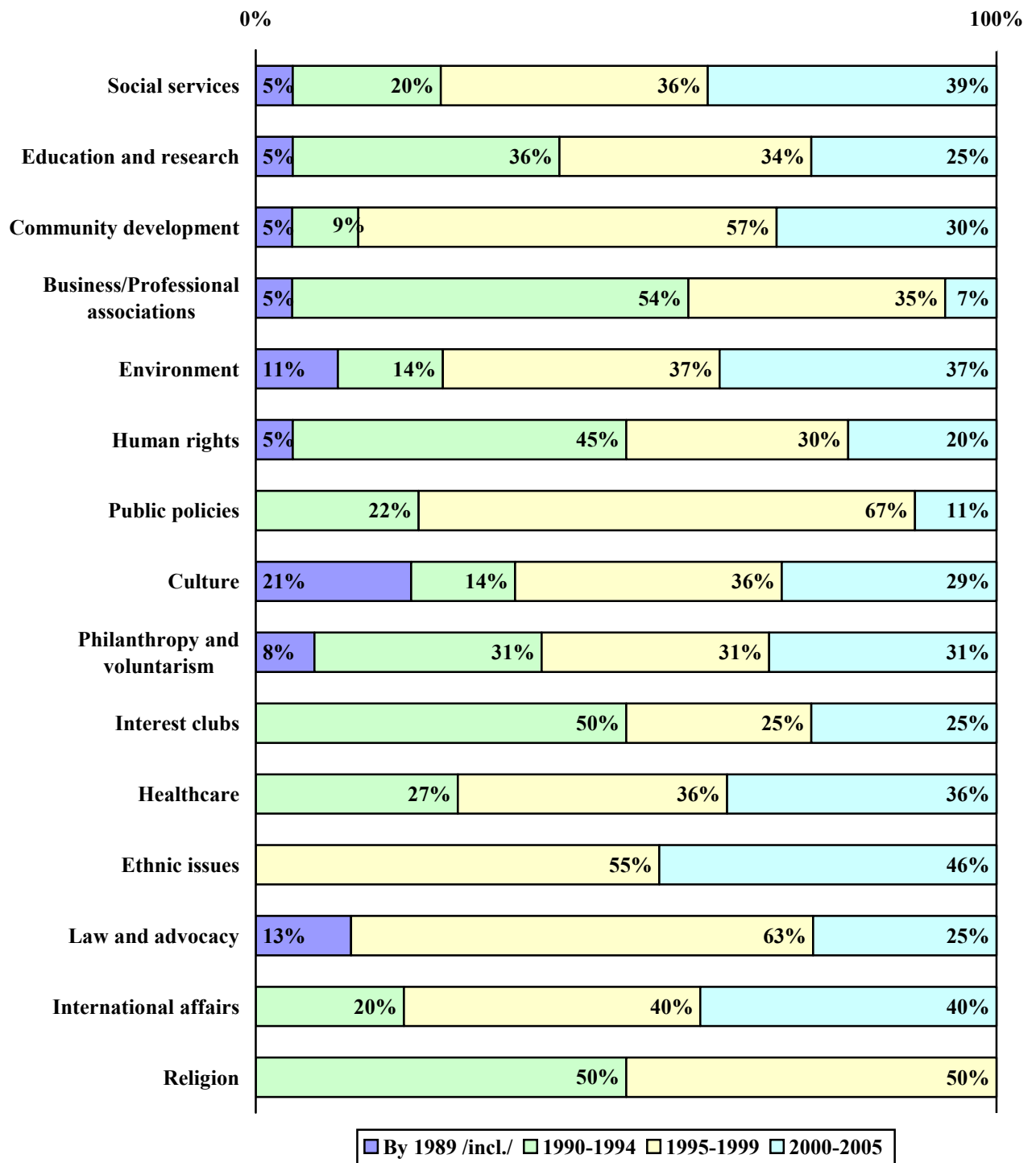
numerous social and economic problems that have emerged during the economic transformations. Moreover, the large number of NGOs in this sphere is also an indication of the growing influence of the third sector in the area of social services.

The distribution of organizations from the various spheres of activity in accordance with their year of registration reveals some specifics of the structure of the non-profit sector evidently influenced by the dynamics of the social and political situation for the respective periods. There are clearly delineated differences between NGOs with regard to the time of their establishment and the spheres they operate in for the period between 1989 and 2005.

- ✓ According to the survey results, the organizations working in areas such as religion, international affairs, ethnic issues, healthcare and public policies have started their activity after 1989. No representatives of organizations that were created before the changes have been interviewed in these areas. Yet a very large proportion (46% and 40%, respectively) of non-profit organizations working in some other spheres (ethnic and international affairs) have been created in the last five years;
- ✓ The majority of organizations set up prior to 1989 operate in the areas of culture (21%), law and advocacy (13%) and environment (11%);
- ✓ In four of the areas which are most often preferred by the organizations from the third sector (e.g. social services, education, community development, business and environment), approximately 5 per cent of the organizations from each of the areas have been functioning under one or another form even prior to the changes of the political system;
- ✓ The development of the priority areas of activity is not uniform over time:
 - The registration of the majority of entities working on business issues has taken place in the first five years – over half of them (54%) have been established from 1990 to 1994. Over a third (35%) has been set up in the next five-year period, while only 7% - in 2000 and later. Obviously the process of establishment and strengthening of the organizations operating in this area has already finished;

- An identical process, but taking place later in time, is the institutionalization in the area of community development. The majority (57%) of NGOs was created in the next stage of transformation of the social and political system (1995-99), while 30% were created after 1999. Judging from the situation of the NGOs dedicated to business issues, it may be assumed that no substantial increase of the entities in this area will occur in the coming years;
- The most even development of the third sector in terms of time is in the area of education – slightly over one third of the organizations were set up in the periods 1990-94 (36%) and 1995-99. (34%). Evidently, the covering of this niche is also coming to an end – for the last five years the registered organizations represent 25% of those working in the area.
- The development over time of the organizations whose activities are oriented towards social services and protection of environment is nearly identical. Their time of establishment is evenly distributed (about 37%-39%) in the two periods – 1994-1999 and 2000-2005. The dynamic boom of newly registered organizations targeted at social activities with each new five-year period is rooted in one of the key unresolved problems of the social and economic reality in Bulgaria during the transition period, the low standard of living of the population. That is why it can be expected that the future development in this area will depend mostly on a change of this indicator.

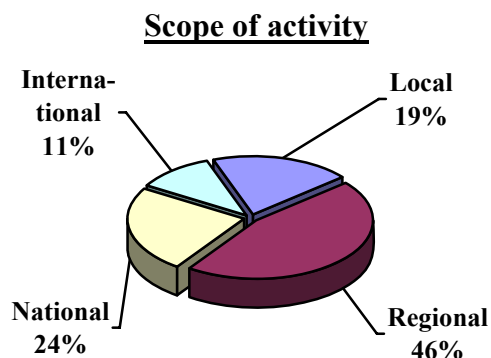
Year of registration according to area of activity



3. Territorial scope of activity and size of NGOs

Territorial scope

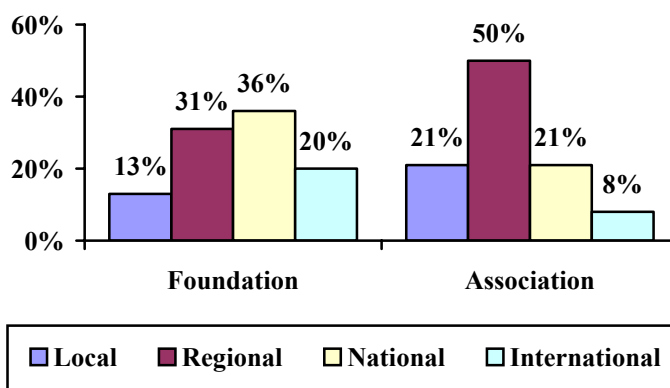
The results of this survey show that the majority of non-governmental organizations operate within a definite territorial range. Nearly one-fifth (19%) are acting within their community, and almost half (46%) are working on a regional level. In general a region for the NGOs is understood as several neighbouring communities rather than the legal meaning which is one of the six regions for planning that exist in the country.



Nearly a quarter (24%) covers the whole country and a non-insignificant proportion (11%) works on an international level.

Foundations have a wider territorial scope of performing their activity – one-fifth (20%) operate on a transnational level, while one-third (36%) – on a national level. The majority of associations work within

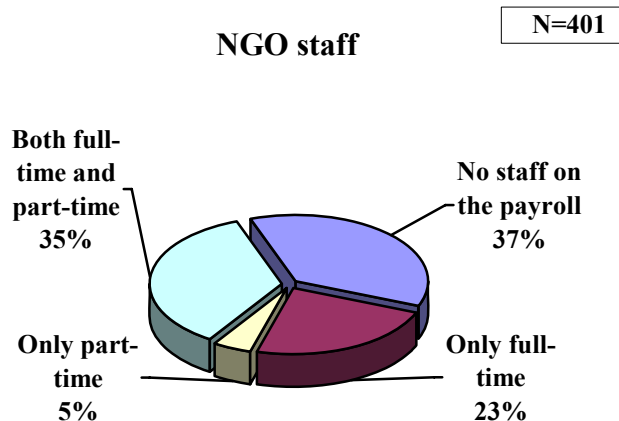
Scope of activity by type of organization



their community (21%) or within the boundaries of their district/ region (50%).

Staff

A sizeable proportion (37%) of NGOs does not have staff on the payroll. Two-thirds (63%) use paid staff, and most often (35%) this staff is employed both full-time and part-time. In nearly a quarter (23%) of organizations the whole staff is employed full-time, and in five per cent – part-time.



The organizations that more often do not employ staff are the associations (39%) rather than foundations (29%). There is a direct relation between the age of an NGO and its personnel – among the most recently registered ones (from 2000 onwards) almost half (49%) do not have employees. This proportion decreases the more distant the date of registration is as only 9% of the NGOs registered prior to 1989 do not have staff on the payroll.

In the structure of personnel the prevailing number of staff is employed full-time (65%). There are almost no differences between the two types of organizations – the number of full-time staff in foundations is slightly smaller (62%) than in associations (66%).

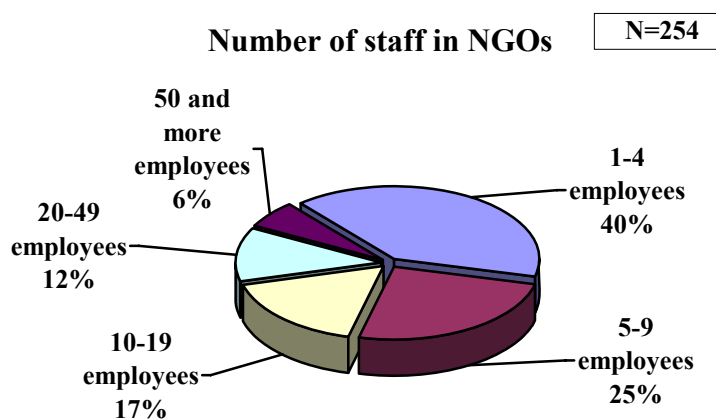


The organizations with a longer existence have more full-time staff – 85% of those registered before 1989 and 74% of those established between 1990 and 1994.

In general, the increase of the staff leads to a decrease of the number of full-time hired people. Full-time employees in NGOs with the lowest number of staff (1-4 people) are 78%; 5-9 employees – 67%, 10-19 employees – 55%, 20-49 employees – 50%. Such behavior could be explained by the nature of the work of most of the

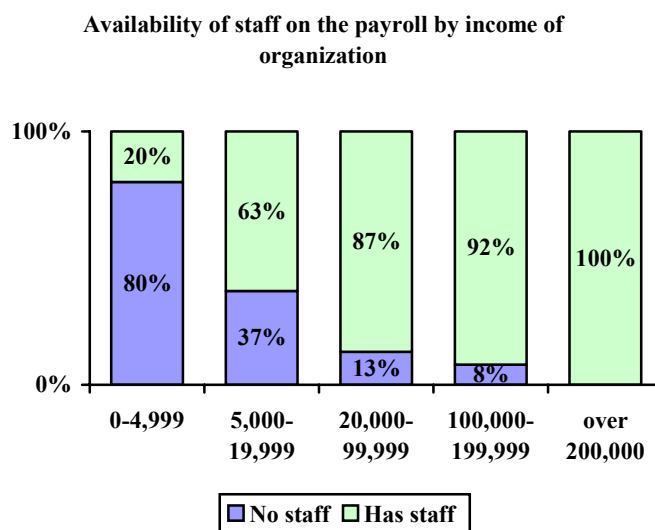
organizations – mainly on specific projects, with uneven workforce demands, which does not allow the recruitment of permanent staff.

The average number of staff in NGOs is between 16 and 17. Most often (40% of cases when there are employees) NGOs maintain a minimum number (1-4) of staff. A quarter (25%) of organizations have five to nine employees. Around 18% of the organizations have twenty or more employees.

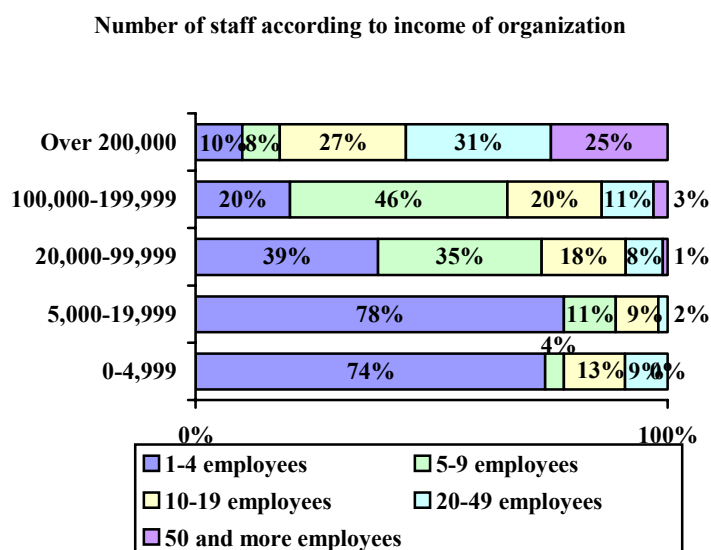


A key factor which determines the availability and number of staff is the amount of income of the organizations.

The practice of employing staff is increasing with the increase of income, and among NGOs with the highest income there are not such without any staff on the payroll.



Naturally, the number of hired staff depends mainly on the income of the organization – the more funds they operate with, the more staff they employ. Among the organizations with income of up to 5,000 BGN, 74% have up to four employees, and among those with income ranging from 5,000 to 20,000 BGN - 78%. Yet in organizations with income exceeding

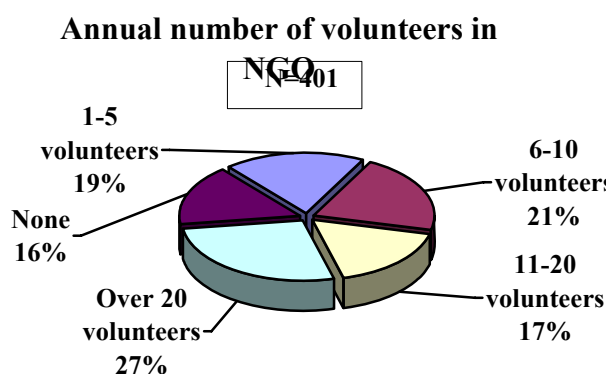


20,000 BGN, the organizations with up to four employees are half as many – 39%, 20% and 10%.

Volunteers

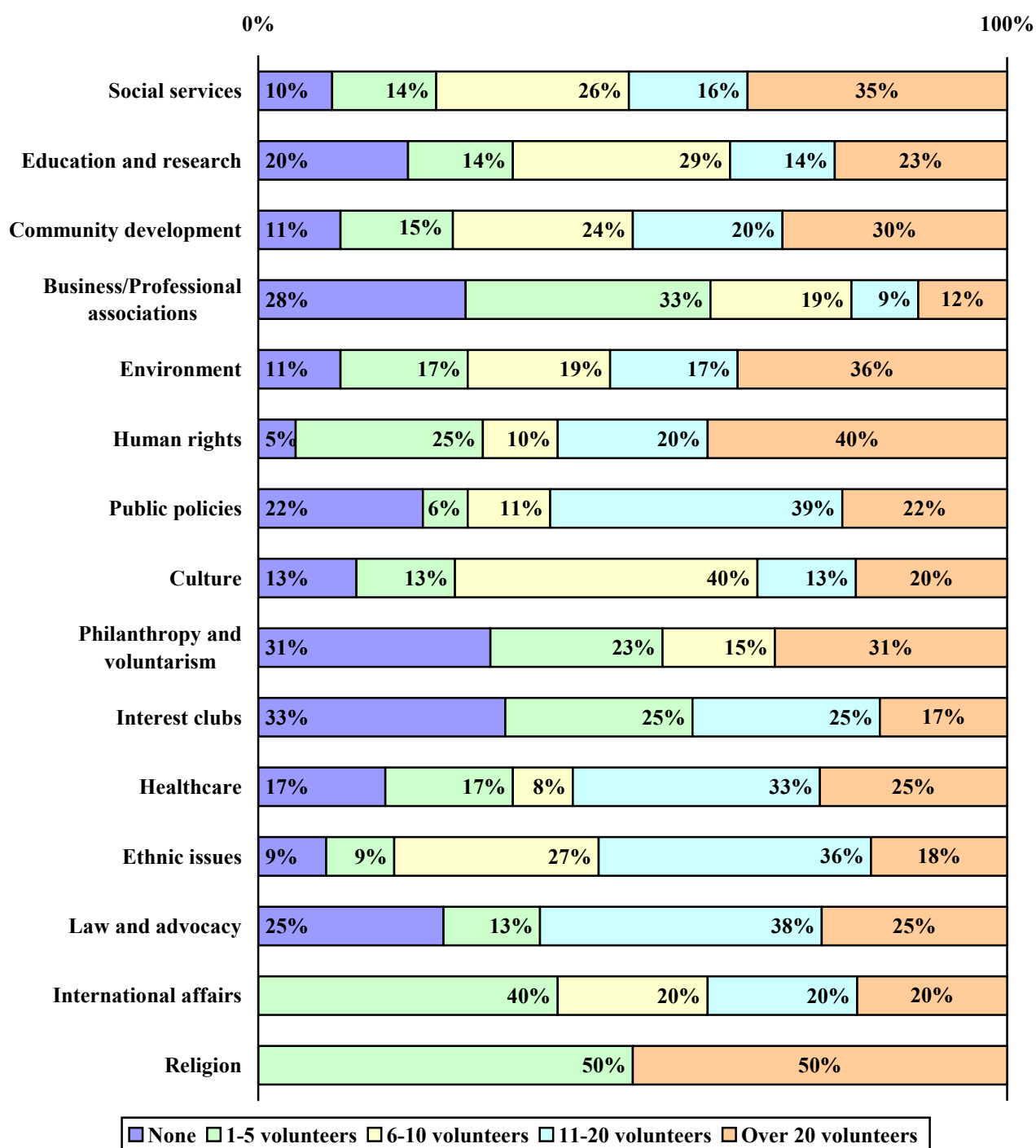
The vast majority of NGOs uses volunteers - 84%. The largest proportion of organizations (27%) works with over 20 volunteers. 17% of the organizations use the services of 11 to 20 volunteers, 21% - use 6 to 10 volunteers – and 19% of the NGOs work with 1-5 of volunteers.

The NGOs designated to pursue activities in public benefit are more frequently working with volunteers (88% of those registered in the CR and 85% of those that are not registered), than those in private benefit – 76%.



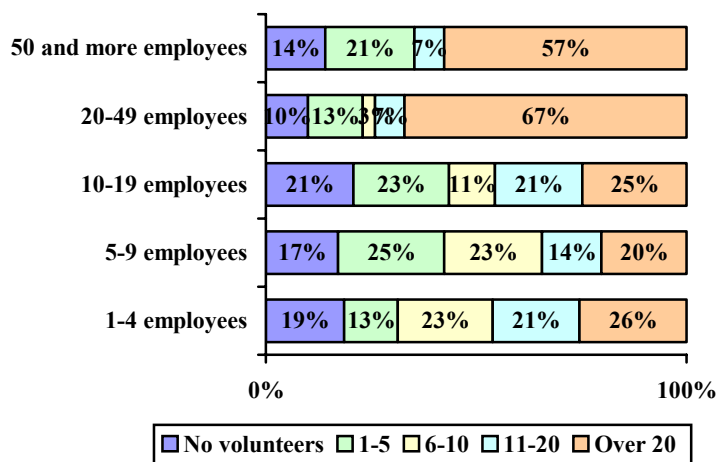
Among the organizations working in the five leading areas of activity those operating in the sphere of social services (90%) and in the area of community development and protection of environment (89% each) more often use voluntary labor than the NGOs in the sphere of education (80%) and the business (72%). Among the first three spheres there are more (around one-third) organizations using over 20 volunteers a year.

Number of volunteers by area of activity



As a rule, NGOs with more employees on the payroll use more volunteers than those with fewer staff members. Organizations with 20 or more employees, between 86% and 90% use volunteers, and for over half in both groups (57% and 67%) the number of volunteers is over 20. NGOs with less than 20 employees, between 79% and 83% use volunteer services, and in the majority (55%, 62% and 57% in the three groups) they are limited to 20 volunteers a year.

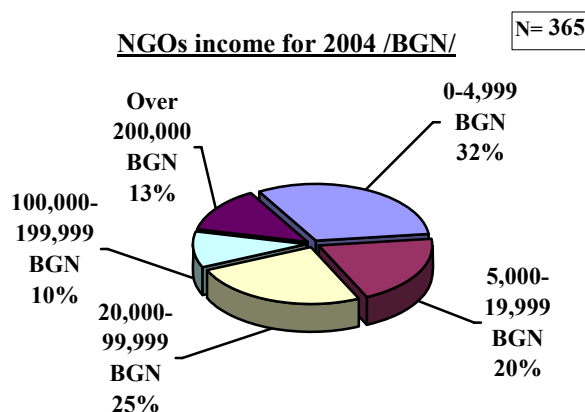
Use of voluntary labour by number of staff



4. Budget and sources of income

Amount of income

Three quarters (77%) of the interviewed NGOs have a budget for 2004 of up to 100,000 BGN. The largest group (32%) is the group of organizations with the lowest (up to 5,000 BGN) income. Approximately one-fifth (20%) have a budget between five and twenty thousand BGN, while another 25% - between 20 and 100 thousand BGN.



- There are clearly visible differences in the distribution of income among organizations distinguished by key indicators such as type of organization, registration in the central register, duration of activity, sphere and scope of activity. The following distinctions need to be noted: 18% of the foundations and 34% of the associations fall within the lowest income group. The highest income is registered in 26% of the foundations and 10% of the associations.

INCOME ACCORDING TO THE TYPE OF NGO						
		INCOME FOR 2004				
		0-4999 BGN	5000-19999 BGN	20000- 99999 BGN	100000- 199999 BGN	Over 200000 BGN
TYPE OF NGO	Foundation	18,1%	16,7%	22,2%	16,7%	26,4%
	Association	34,1%	20,8%	25,9%	8,9%	10,2%

- Nearly two-thirds (60%) of the NGOs in public benefit registered in the CR have over 20,000 BGN, of which 32% with over 100,000 BGN. They are followed by the organizations pursuing activities in private benefit – for the majority (59%) the annual budget is up to 20,000 BGN, while 19% have income over 100,000 BGN. The most unfavorable position is taken

by NGOs in public benefit that are not registered in the CR – 70% of them have income of up to 20,000 BGN while 10% have over 100,000 BGN.

INCOME ACCORDING TO THE STATUS OF NGO						
		INCOME FOR 2004				
		0-4999 BGN	5000- 19999 BGN	20000- 99999 BGN	100000- 199999 BGN	Over 200000 BGN
STATUS OF NGO	For Public benefit, entered in the Central registry	26,1%	14,6%	28,1%	12,6%	18,6%
	For Public benefit, not entered in the Central registry	48,5%	22,1%	19,1%	4,4%	5,9%
	For Private benefit	29,3%	30,4%	21,7%	10,9%	7,6%

- Over two-thirds (70%) of the NGOs that were registered in the last five years had income up to 20,000 BGN, and among those registered earlier (1995-99 and 1990-94) these shares drop to 46% and 38%, respectively. In the group of the oldest organizations this is the income for the majority (55%) of them but it has to be taken into account that they also have the highest share (40%) of organizations that operate with over 100,000 BGN. In comparison, the share of such NGOs, among those registered in the following five-year periods drops to 27%, 30 % and 11%, respectively.

INCOME ACCORDING TO THE YEAR OF REGISTRATION OF NGO						
		INCOME FOR 2004				
		0-4999 BGN	5000- 19999 BGN	20000- 99999 BGN	100000- 199999 BGN	Over 200000 BGN
YEAR OF FIRST REGISTRATION	Before 1989r. /incl./	20,0%	25,0%	15,0%	10,0%	30,0%
	1990-1994r.	19,1%	19,1%	35,1%	10,6%	16,0%
	1995-1999r.	26,7%	19,2%	24,7%	13,7%	15,8%
	2000-2005r.	49,0%	21,0%	19,0%	6,0%	5,0%

- Differences can be observed in the five priority areas of activity, too. Among the organizations working in support of the business the smallest share (30%) is that of the organizations with low (under 20,000 BGN) income, the largest number of NGOs (46%) has revenues of between 20

and 100 thousand BGN, while one-fifth (24%) has 100,000 BGN and over. Among those dealing with community development the biggest group (43%) is that of the organizations with a minimum income but over one-third (35%) are operating with over 200,000 BGN. In the other three areas, the majority of organizations have income of up to 20,000 BGN – social services (53%), education and research (58%) and environment (66%). The differences between them are mainly because of those with funds over 100,000 BGN - 23%, 20% and 12%, respectively.

INCOME ACCORDING TO THE MISSION AREA OF NGO						
		INCOME FOR 2004				
		0-4999 BGN	5000- 19999 BGN	20000- 99999 BGN	100000- 199999 BGN	Over 200000 BGN
MISSION AREA	Social services	31,2%	22,1%	24,7%	6,5%	15,6%
	Education and research	30,8%	26,9%	23,1%	7,7%	11,5%
	Community development	25,0%	17,5%	22,5%	25,0%	10,0%
	Business/ Professional associations	9,8%	19,5%	46,3%	12,2%	12,2%
	Environment	46,9%	18,8%	21,9%	3,1%	9,4%
	Human rights	41,2%	23,5%	5,9%	5,9%	23,5%
	Public policies	17,6%	11,8%	29,4%	17,6%	23,5%
	Culture	61,5%	23,1%	7,7%	,0%	7,7%
	Philanthropy and voluntarism	33,3%	16,7%	8,3%	25,0%	16,7%
	Interest clubs	36,4%	27,3%	36,4%	,0%	,0%
	Healthcare	54,5%	9,1%	27,3%	,0%	9,1%
	Ethnic issues	40,0%	10,0%	30,0%	10,0%	10,0%
	Law and advocacy	28,6%	,0%	28,6%	,0%	42,9%
	International affairs	50,0%	25,0%	,0%	,0%	25,0%
	Religion	,0%	50,0%	,0%	,0%	50,0%
	None of the above	11,8%	17,6%	35,3%	29,4%	5,9%

- The differences among organizations with different territorial scope of activity are quite substantial. Naturally the majority of those working at the local (78%) and regional (52%) level have income of up to 20,000 BGN. These shares are 29% and 42%, respectively, among those working nationwide and abroad, and this is because of the markedly higher share of organizations with income over 100,000 BGN – 45% and 32%.

INCOME ACCORDING TO THE SCOPE OF ACTIVITY						
		INCOME FOR 2004				
		0-4999 BGN	5000- 19999 BGN	20000- 99999 BGN	100000- 199999 BGN	Over 200000 BGN
SCOPE OF ACTIVITY	Local	55,1%	23,2%	15,9%	2,9%	2,9%
	Regional	30,9%	22,4%	27,3%	13,9%	5,5%
	National	17,2%	11,5%	26,4%	10,3%	34,5%
	International	21,1%	21,1%	26,3%	10,5%	21,1%

Sources of income

The most often quoted (53%) source of funding by the interviewed organizations is international donors. Almost half (46%) receive income from membership fees, and around a third (35%) - from economic activity. The donations from individuals (26%) and companies (23%) are another popular source of funds. Apparently a frequent practice is the redistribution of funds among organizations from the third sector in Bulgaria as 19% have proceeds from Bulgarian NGOs. Around 17% have benefited from the state budget in one form or another. Charitable events (11%) and local authorities (7%) are the least significant sources of funding.

TYPES AND SIGNIFICANCE OF THE SOURCES OF FUNDING

	Sources of funding	Distribution of income by source
	<i>% of organizations</i>	<i>% of income</i>
International donors	53%	40%
Economic activity	35%	17%
Membership fee	46%	11%
Subsidy from the state budget	17%	8%
Donations from companies	23%	8%
Bulgarian non-governmental organizations	19%	6%
Donations from individuals	26%	6%
Charitable events	11%	3%
Subsidy from the local budget	7%	2%

The existence of the Bulgarian NGO sector can be defined as conditioned by and strongly dependent on foreign institutions. International donors prove to be the major source of funding – 40% from the total income for NGOs come from abroad. In

second place is the economic activity of the organizations but with a share that is half as big (17%). The funds raised from donations are around 14% (8% by companies and 6% by individuals). The membership fee, although mentioned as a source of funds by nearly half of the organizations, actually constitutes around one-tenth (11%) of the revenues as it is relevant only for associations. The financial support from the state is of rather symbolic nature (8%) and is hardly a source that could sustain the third sector. Bulgarian NGOs provide 6% of the income for the sector. Charitable activities and local authorities have the lowest share – 3% and 2%.

III. GOVERNANCE PRACTICES

1. Governing bodies

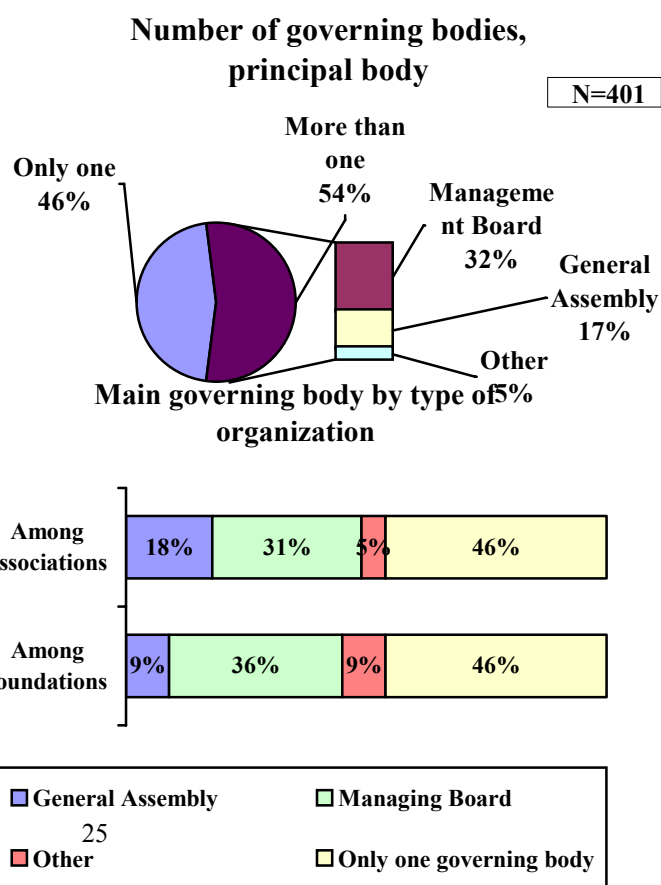
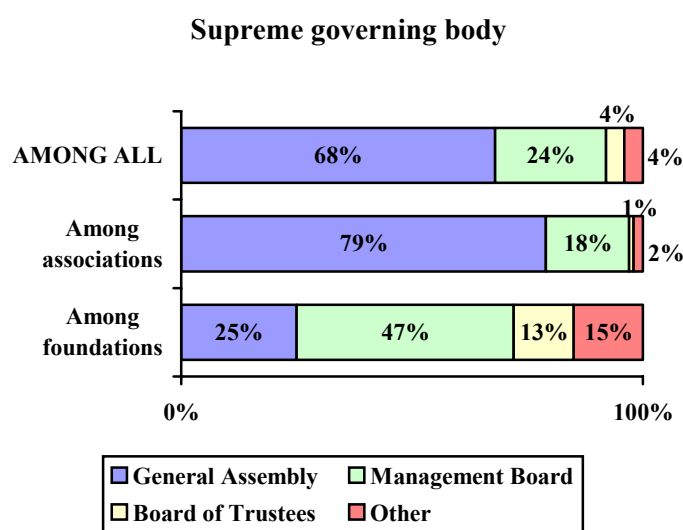
Type and number

In the majority (68%) of interviewed organizations the supreme governing body is the General Assembly. For a quarter (24%) this body is the Management Board. There are few (4%) organizations in which the principal body is the Board of Trustees.

The General Assembly is a typical supreme governing body among associations – 79%. Among foundations such a body is usually the Management Board – 47%, and the Board of Trustees is much more frequent (13%) than among associations. The Founders' Council – 6%, the Board of Directors – 4% and the Donors' Council – 3% are more typical for foundations.

The majority (54%) of organizations have more than one governing body, and in this case the main body is most often the Management Board (32%) and less frequently the General Assembly (17%).

The existence of more than one governing body is



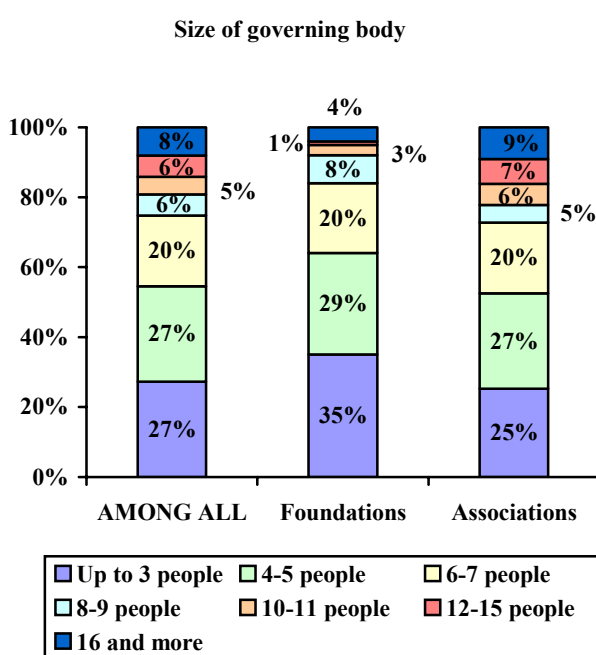
equally typical for both associations and foundations – 54% each. There are, however, some differences referring to the main governing body in this case. For both types of NGOs when there is more than one governing body, the principal one is the Management Board. Yet, among associations the principal governing body is much more often the General Assembly (18%) than among foundations. This is due to the fact that General Assembly as a governing body is a lot less typical for foundations.

Size⁴

The main governing body in 74% of the organizations has up to 7 members, and 27% have 1-3 and 4-5 members each. Yet, there is a sizeable proportion (14%) of organizations whose governing body consists of 12 and more people. The average number of governing body members for the organizations interviewed is 9 people.

The governing bodies of foundations are smaller (six people on average) than those of associations (ten people).

There might also be a trend for the number of members in the governing body to decrease over the years. This, however, cannot be confirmed as the survey does not provide any information on the number of members in the governing body at the time of registration. An indirect indicator for this is the fact that the organizations established most recently have fewer members of their governing bodies than those registered earlier. Among the organizations registered between 2000 and 2005 the governing body consists of six people on the average, between 1995 and 1999 they are 9, between 1990 and 1994 – nearly 10, and prior to 1989 – 18 people.



The number of board members is essential for the effectiveness of the governing body, according to those interviewed in the qualitative survey. Some NGO representatives think that the less numerous bodies are more operational and better functioning. That is why the Management Boards of some interviewed organizations consist only of three people, one of whom also performs the role of an Executive Director. The larger size of the body, in their opinion, might be of difficulty and often leads to non-involvement of all members in the decision making.

"In order to be flexible, easy to gather and effective, the Management Board consists of three people. It has always been made up of three people, which is scandalously few for the general practice, but it works as far as we were concerned."
(CEO)

"The previous body, which was larger, not always provided the assistance we needed so we considered reducing the members of the Management Board. When there are too many people things just tend to be less focused." (CEO)

Some people share the opposite opinion and think that the larger body provides an opportunity for having more experts, and therefore – more views and easier, faster and more efficient solutions.

"According to the law there could be as few as three people in the Management Board, they say, it depends on the size of organization. But when their number is higher, there are bigger opportunities of having more experts, and therefore issues can be viewed from different angles and a better solution can be found."(CEO)

Structure⁵

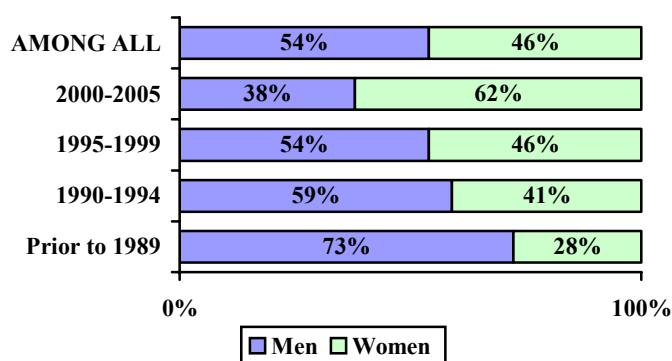
Men are predominant among members of the governing bodies (54%).

This is most clearly visible in organizations registered for pursuing activities in private benefit - 65%. There are more women (56%) in organizations pursuing activities in public benefit but not registered in the CR.

⁴ The description of governance henceforth refers to the main governing body – the body which most often monitors the performance of the organization.

It should be noted that there is an increasing trend in the number of women in the management of NGOs. This can be inferred from the fact that among the oldest organizations the share of men is around 73% but it is steadily decreasing and women are already gaining the upper hand (62%) among the organizations registered in the last five years.

Gender structure of governing bodies by year of registration of the NGO

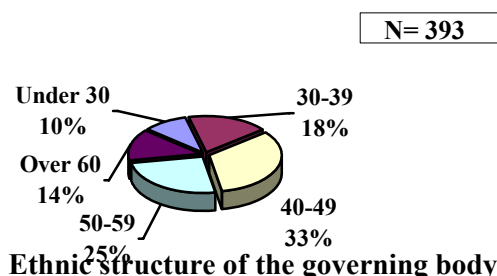


More women in the governing bodies can be found in organizations dealing with Philanthropy (73%), Healthcare (57%) and Social services (56%). They are least involved in the management of organizations working in support of the business (17%). There are perceptibly fewer women in the governing bodies of organizations dealing with Public policies (31%), and Law and advocacy (35%).

The gender ratio for the position of chief executive is identical to the one recorded for the composition of the governing bodies. Most (57%) of the chief executives are men. The conclusion that the share of women is increasing over the past 15 years is also valid here. The ratio among the earliest registered organizations is 76% to 24% in favor of men, but it is changing among those established subsequently and for the last five years this ratio is 59% to 41% in favor of the women chief executives.

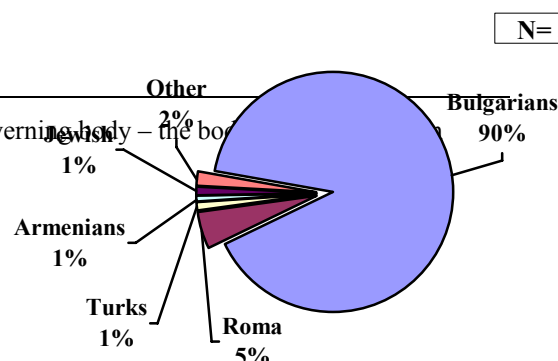
The majority (72%) of governing body members are over 40 years old, and 14% are over 60. Around one-tenth are the youngest (under 30), and nearly one-fifth (18%) come from the 30-39 age group.

Age structure of members of governing bodies



The representatives of minorities

Ethnic structure of the governing body



⁵ The description of governance henceforth refers to the main governing body – the board which monitors the performance of the organization.

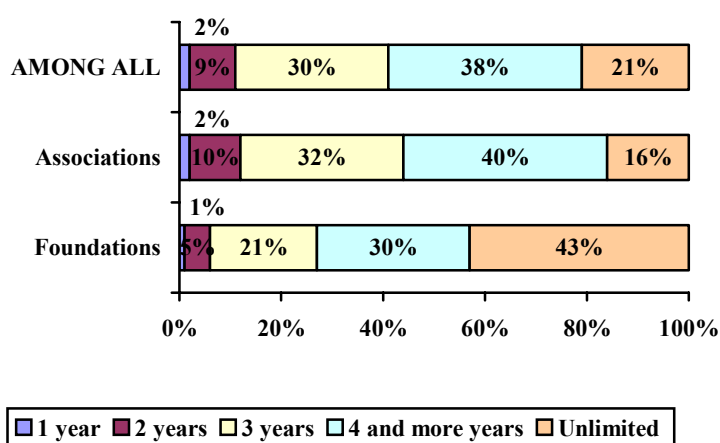
in NGO governing bodies are around 10%, which includes 5% Roma and around 1% Turkish, Armenian and Jewish. Bulgarians are 90%. The highest share of representatives of minorities can be found in organizations dealing with ethnic issues, and these are mainly Roma (66%), 10% are Armenian and 4% are Turks.

Characteristics of the governing bodies⁶

In general, the size of a governing body is set forth in the Bylaws or Articles of Incorporation of the organization. This is the practice of 83% of the organizations. This is within the powers of the governing body in nearly one-tenth (8%) of the NGOs. The number of members of the governing body is rarely set forth in the Internal regulations of the organization (5%) or by its founders (4%).

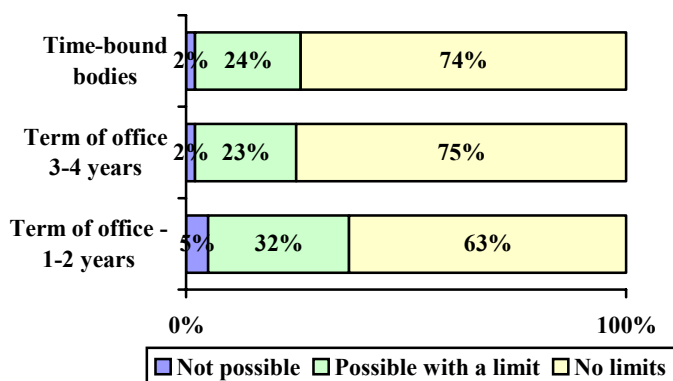
In most organizations (79%) the membership in the governing body is limited in time. Most often (38%) the term of office in a governing body is 4 years, and in 30% it is limited to 3 years. The annual change of the members of the governing bodies is an exception – 2%. Having terms of office is a more frequent practice among associations (84%), and much less frequent among foundations (57%).

Term of office of the governing body



In practice, however, even when the membership in governing bodies is term-bound very often members can be reelected as there is no limit to the number of consecutive terms they can serve. In 74% of the organizations where there are set terms of office for the board members, there is no limit to the number of terms. Limits to the number of possible consecutive terms of office are more frequent in organizations where these terms are shorter – 37% of the organizations

Possibility for reelection of time-bound governing bodies

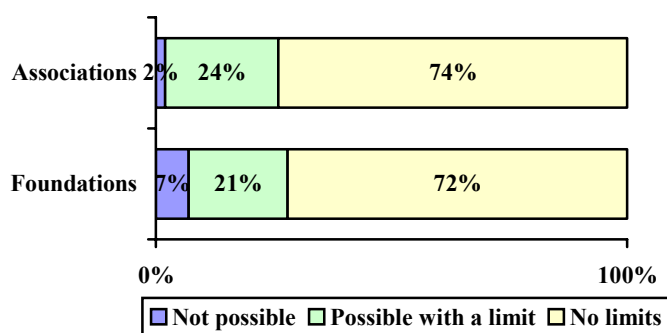


⁶ The description of governance henceforth refers to the main governing body – the body which most often monitors the performance of the organization.

with 1 or 2 years of term of office for the board members have also a limit to the number of consecutive terms of office, while the respective share in organizations with 3-4 years terms of office is 25%.

Among the two types of organizations, there are almost no differences in the possibility for reelecting the board members when they are with a limited term of office. It is usually possible for them to be reelected indefinitely among both associations (74%) and foundations (72%). The share of foundations where only one term of office of the governing body is allowed is higher (7%).

Possibility for reelecting governing bodies with limited terms of office by type of organization



By principle, the participation in governing bodies of NGOs is not rewarded. In 94% of the NGOs, members of the governing body do not receive payment for these functions. In most cases (66%) they provide expert services to the organization which are paid in around one-third (36%) of the cases. A widespread practice (60%) among NGOs is to reimburse their board members with the travel and other expenses they make. In 32% of organizations this is done partially, and in 28% - fully.

Selection of governing bodies⁷

Usually the founders of NGOs are also the first members of the main governing body. This is characteristic for every four out of five (82%) interviewed organizations.

The people who nominate and elect new members of the governing body are all the same and they usually are the members of the organization or the General Assembly. It should be noted that since the General Assembly in many cases is also the main governing body, it is in fact the body which performs these functions itself.

⁷ The description of governance henceforth refers to the main governing body – the body which most often monitors the performance of the organization.

In the majority (73%) of organizations the members of the organization or the General Assembly are responsible for nominating new members of the governing body.

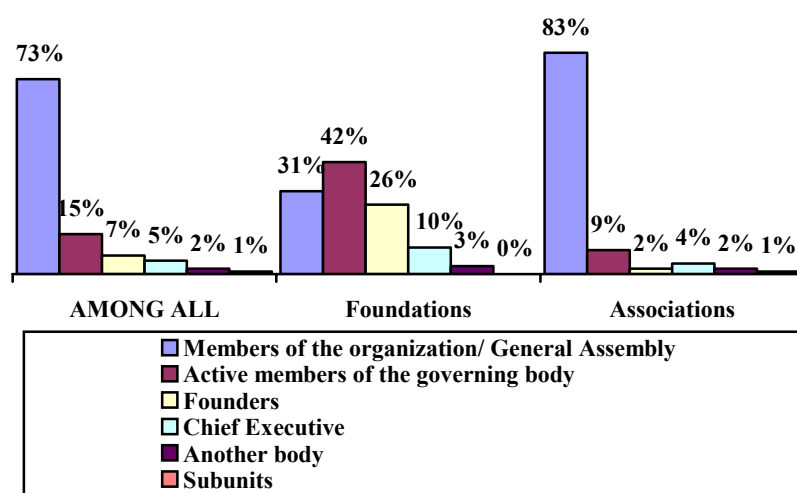
It has to be clarified that among foundations the situation is rather different than among associations. In the biggest number of cases (42%) the nomination of board members is the

responsibility of the acting members of the governing body, and not of members of the organization or the General Assembly (31%). Also, much more frequently than among associations (2%), this is a prerogative of the founders of foundations (26%). This difference, however, is due to

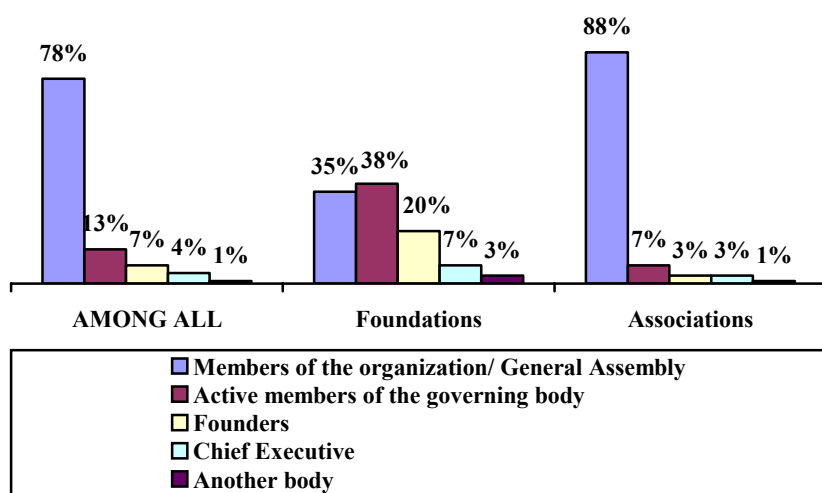
the specific organizational structure of the two types of NGOs, rather than to the different governance approaches. In fact, foundations do not have members by default, and the General Assembly is a much rarer governing body for them rather than for associations.

The members of the organization or the General Assembly are also usually (78%) responsible for deciding on the composition of the other governing body. As regards to the subjects of these obligations, the same differences are observed between foundations and associations as in the

Responsibility for nominating members of the governing body



Responsibility for electing members of the governing body



nomination of new members, the reasons for which were clarified in the preceding paragraph.

The interviewed in the qualitative survey share the unanimous view that it is very important who the members of the governing body are as well as what personal and professional qualities they possess. Therefore, in their opinion, beside the obligatory set of personal qualities (such as motivation and commitment), these people should be specialists and professionals in various domains.

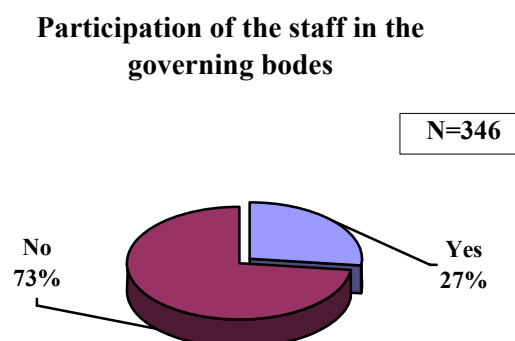
"You need to have strategically positioned people from various fields. It is stupid to have, let's say, just anthropologists, or just sociologists and if you get 10 of them together, there will always be someone unsuitable. It is good to get together people from different domains" (CEO)

"It is good to have people with different qualification, different knowledge in various areas and sectors to sit on the Management Board. We try to cover the key spheres of our activity with people who are experts, who have the experience to be able to really give their input to governance and implementation of the organization's policy." (CEO)

According to the expressed views, it is essential to have people with good connections and contacts among members of the body – ***"this is crucial for lobbying"***, and they should also be respected individuals or eminent public figures - ***"the composition of the board has always been of help to me, even just by mentioning their names."*** (CEO)

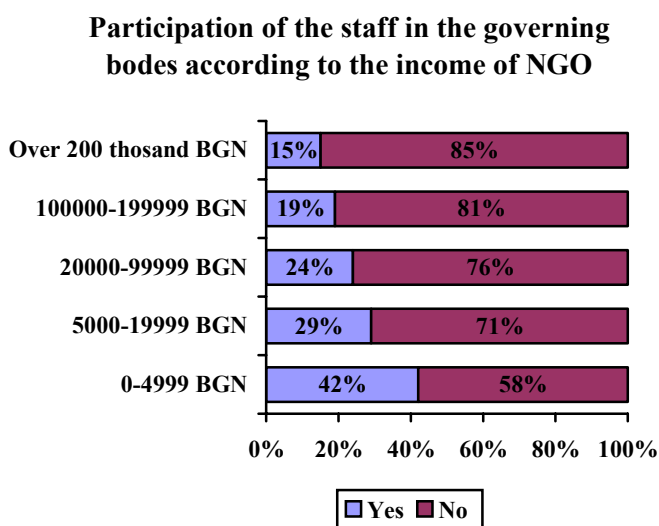
Participation of the staff in the governing bodies

In more than one-fourth of the cases (27%) the staff participates in the governing bodies. The participation of the staff in the management of organizations is more popular with associations (30%) than with foundations. The practice of inclusion of the staff in the management varies in



accordance with the mission area of the organizations. More often members of the staff take part in the management of organizations operating in spheres like culture (55%), education and research (41%), social services (37%) and environment (36%).

This practice is more typical for organizations with lower income. 42% of the NGOs operating with minimal funds (up to 5000 BGN) have staff members that participate in their management. This proportion decreases with the increase of the income as with NGOs having income over 200 thousand BGN it is 15%. The situation is similar with the practice of combining the responsibility of two or three different positions in one person working for an NGO.



2. Motivation of the members of the governing body

The members of NGO governing bodies can be generally divided into two main groups according to their motivation. In the first group, which according to the views shared by the interviewed is less numerous, are the people who have a strong and persistent motivation to contribute to the achievement of the goals of the organization. They are fully committed to the cause that the NGO is pursuing and maintain constant communication regarding the activity of the organization. The results from the conducted interviews show that all members of the governing bodies of small NGOs with no staff on the payroll have such a motivation. This is logical given that in these cases the governing body is actually playing the role of an executive team and is fully involved in the activity of the organization.

According to the interviewed the motivation of most of the board members of bigger NGOs (with staff) is similar. The key reasons for membership in the governing body are linked to the willingness to promote the name, ideas and activities of the

respective organization, to achieve the goals it has set for itself, and to the satisfaction with the very nature of the work.

"I became a member in order to support the development of the organization, to be more useful to a larger number of people through my activity."
(Member of a governing body)

"They find what we are doing interesting and enjoyable. I am not aware of anybody until now who wants to quit." (CEO)

What is more, in some cases the motivation is related not just to the development of a specific organization, but in general to its *raison d'être*.

"They are members because of their interest in the idea – these are really the people it is best to work with as their motivation is usually the well-being of the organization and not only the specific organization per se but the goals and mission of the organization as far as it succeeds in achieving them"; "It is really great when you see sustainability, when you see a project that you have been doing for 6 months and there are still people who keep it going. And this is a cause. So I am excluding the financial [motivation], at least in our case, I can assure you 100% that there is no financial benefit." (CEO)

Very often members of the governing body are the founders of the organization which is naturally linked to their motivation - ***"for the founders there is no doubt what the reason are s, they are simply dedicated to the idea and they have decided this themselves"***. The commitment is particularly strong (including based on personal impressions of interviewers) on the part of governing bodies' members of organizations dealing with various health issues (e.g. people with mental or physical disabilities) as frequently they personally or members of their family are affected by the problem. It has to be taken into account, however, that such cases can have a negative aspect and may lead to conflict situations, too - ***"sometimes members of the Management Board, that also includes people with disabilities, have a tendency to try solving their personal problem rather than the general one, and secondly, people find it somehow hard to leave the realm of the problem and move to the realm of vision. This happens all the time, and if people tell you it is not true, do not believe them. They are simply insincere."***

The fact that there are strongly motivated members is often due to the way of electing the respective governing body - *"The General Assembly elects the most active people in the governing body - those who have already proven themselves and who are eminent human right activists"* (CEO). The organizations themselves are trying to develop various mechanisms so that only people who will be of genuine use to the organization should be in its governing bodies. For instance, a system for evaluation with points has been introduced in a Pazardjik based NGO which 'calculates' the input to the organization – *"The Management Board includes our most active members who have scored over 600 points, so that they are among the most vigorous ones."* A similar system exists in other organizations, too.

"We have introduced a novelty – everyone who may be nominated as a member should have a real contribution to the development of the organization and make efforts for obtaining regularly information on its current performance, problems, successes and failures. Besides, there are points specifying the contents of this input. For instance, those who have donated amounts over 1,000 BGN, provided volunteer labor of over 50 man-days or have made property donations worth at least 2000 BGN, etc. And if none of these things (there are others which I will not list now) is valid and these people really have no time to be informed, they do not meet Art. 1; they can still participate but this time with [donating] larger amounts, e.g., exceeding 20,000 BGN. Such a contribution, such a donor may be nominated in the Board and can afford not to meet Art. 62, I think, i.e. to make regular efforts to obtain information" (member of a governing body)

According to the shared opinions, however, not all members of governing bodies are driven by 'selfless motives' and a commitment to the cause. This is the second main group which could be formed. It includes the 'passive members of the Management Board', as one interviewee called them. These are the people who are members to a governing body for the sake of their personal goals and interests which are not related to and do not coincide with the goals of the organization. The motives are often linked, for instance, to access to valuable information or opportunity for making contacts. From the point of view of NGO Executive Directors, the presence of such members is purely formal as they do not support the activity of the organization

in any way whatsoever - *"We have some people who just like to meddle in the work of others and be aware of what is going on. This is their motivation. They do not contribute in any way but they have access to information about what is going on and can use it for their own purposes". "Some people assume that their Management Board membership would help them get closer to information, and contacts with other organizations in Sofia, or abroad"*.

During interviews the respondents often they avoid criticizing others and attempt to conceal the existence of such a member in their governing body or of a body which is passive in general for various reasons such as maintaining a positive public image of the organization or others.

In the course of the interview, however, it becomes clear that such cases exist or have existed in different stages of development of the organization. Despite, the interviews generally show that the NGOs covered by the qualitative part of the survey, are driven by active, motivated and efficient governing bodies, and members of the body receive no financial reward for their activity in any of the interviewed organizations.

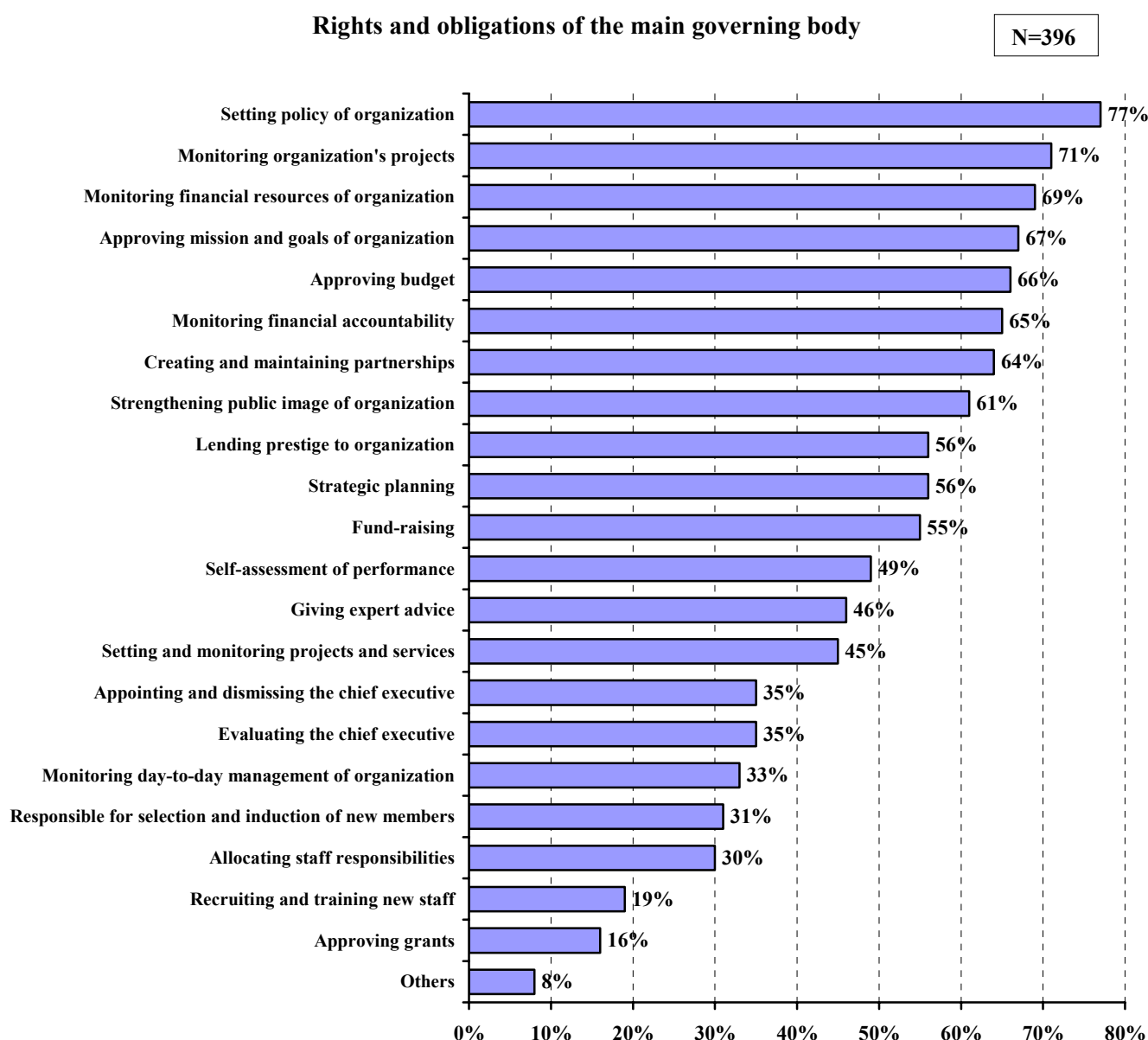
Most interviewees think that membership in an NGO governing body is not appreciated in Bulgaria yet or at least has not acquired the value it has abroad. One of the stated reasons for this is that the role of the third sector in Bulgaria is perceived rather differently than elsewhere. The interviewees share the opinion that one of the key problems of countries in transition as Bulgaria has not been solved here – the creation and strengthening of civil society. Therefore the role and mission of non-profit organizations in Bulgaria still remain poorly understood by the majority of people - *"when you tell people that you work in an NGO, in a foundation, this is often perceived as a dirty word"* (CEO); *"For instance, if citizen Z is a member in the Board of a bank and citizen Y is a member of the Board of a non-profit organization, it is very clear who will be held in higher esteem. Surely it will be the Board member of the bank"* (member of a governing body); *"The board members of our umbrella organization are extremely eminent people. We have met them in USA. They include MPs, millionaires, and people with high profile in society... all popular figures. When celebrating an anniversary at some point, they had even*

hired the PR of the team who made the presidential campaign of Bush Senior."
(CEO)

Nevertheless, some respondents think that membership in an NGO governing body even in Bulgaria is a matter of prestige and is valued in certain circles which are somehow related to or work in the sector. This, however, is valid above all for the larger NGOs with a higher profile and longer history, and for international organizations with branches in Bulgaria – ***“it is not appreciated, perhaps with some exceptions like the big foundations, where, of course, it is a matter of prestige to sit on the Board.”*** (CEO)

3. Responsibilities of the main governing body

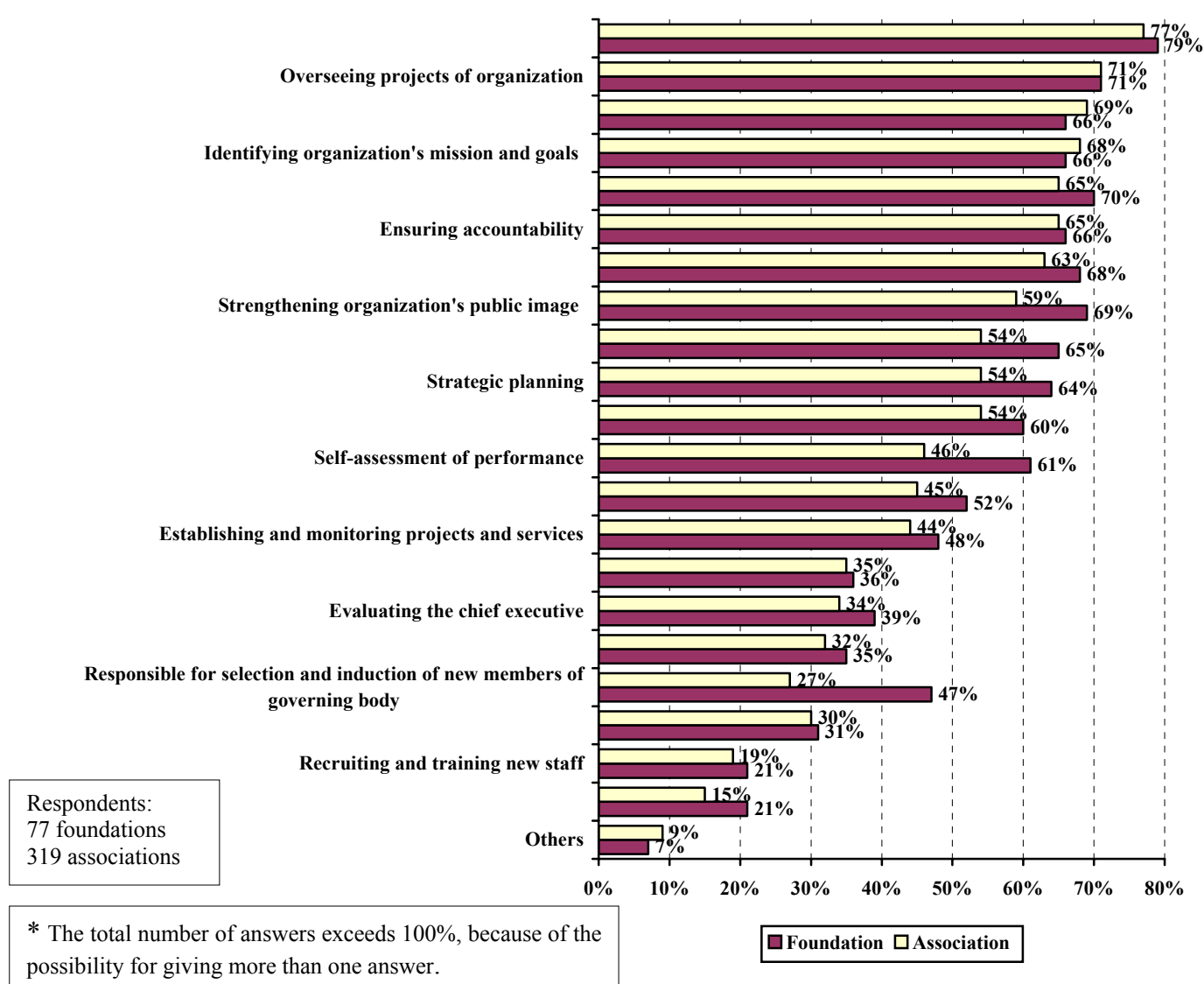
The most frequently indicated responsibility of the governing body is formulating the policy of the organization (77%). It is followed by the controlling functions over the activity (71%) and the financial status of the organization (69%). Other important responsibilities include: identifying the organization's mission and goals (67%), approving the budget (66%), monitoring the financial accountability (65%), creating and maintaining partnerships (64%), and improving the organization's public image (61%).



* The total number of answers exceeds 100%, because of the possibility for giving more than one answer.

The responsibilities of the governing bodies in foundations and associations differ in some aspects. In general, these bodies in foundations are assigned more responsibilities. The most significant differences can be seen in functions such as selection and orientation of the new board members, self-evaluation of the performance, building the prestige and the public image of the organization and strategic planning, which have been pointed out as responsibilities of the governing bodies in foundations much more often than in associations.

Rights and responsibilities of the main governing body by type of NGO



According to the results of the qualitative survey, the rights and obligations of executive directors in the separate organizations are different. In some organizations

this person is given more responsibilities and more rights of determining the policy of the organization and fund-raising, while in others the rights and responsibilities are less. The first case can be observed mainly in NGOs where the Executive Director is the main initiator for the establishment of the organization and its founder - *"civil organizations often have a strong leader, founder of the organization, the person who perhaps gave the idea for establishing such an organization, invited the relevant people, who apropos acknowledge his leading position, his role as founder, as guide ... and this person ends up doing all the work"*.

In general the obligations of the executive director in most NGOs covered by the qualitative survey are related to the day-to-day running of the organization, overseeing and monitoring the on-going projects, active involvement in fund-raising, strategic planning, building and maintaining the good image of the organization, and sometimes recruiting the staff. Of course, the Executive Director is implementing many of these functions jointly with the governing body.

It has to be taken into account, however, that the actual situation is often different from the written rules, e.g. the Bylaws or the job descriptions of those working in NGOs. That is why the respondents admit that in some cases *"everybody does everything"*. *"Let's say E.D. is the Chair of the Management Board, the big shot! But when there is no one to translate the application form, he does. You see? It is not in his job description. Officially I have a job description, too, as prescribed by the law, just like each of these people, but we all do everything. It doesn't matter that I am the Executive Director - if a conference hall or hotel accommodation have to be booked and there is no one to do it, I'll make the phone call. In this respect my obligations involve all sorts of things. My responsibility is that we exist."* (CEO)

4. Management activities of the organization

Control and accountability of the activity

The regular financial audit is not a very frequent phenomenon among NGOs. Nearly one-third (31%) of them has never had such an audit. Around 37% have a financial audit once a year, and 7% - once every two years. A quarter (25%) do it sporadically.

It is highly probable that one of the reasons for the lack of control over finances is due to the low revenues of a large part of the organizations, and the occasional control is linked to specific projects. In support of such a statement is the fact that half (50%) of the organizations with the lowest income (up to 5,000 BGN) do not conduct financial audit, while the percentage is lower among those with higher income, and is 13% among those dealing with over 200,000 BGN a year .

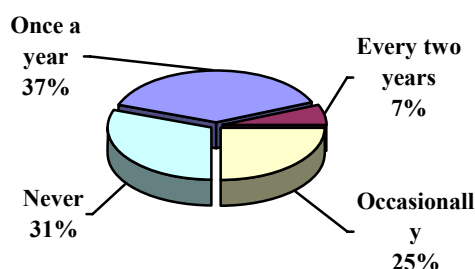
Among foundations financial assessment is more frequent and regular – 77% have audits, as 55% have it once a year, while among associations the respective shares are 68% and 34%.

The same is valid for the organizations entered in the CR – 79% have financial assessment as 42% - on an annual basis. For comparison, audit is done less frequently in organizations working in private benefit (60% and 38%) and among those which are not entered in the register (53% and 25%).

Among the leading spheres of activity the practice of conducting audits is most popular for those working in support of the community development (80% have an audit) and the business (73%), and is least popular in the areas of social activities (64%), education and research (64%), and environment (64%).

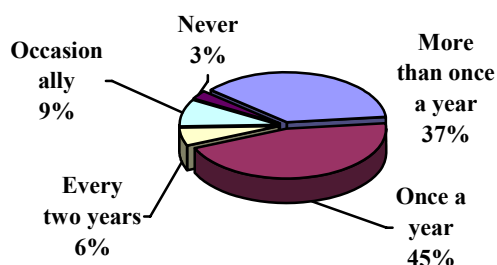
Frequency of conducting financial audit

N=393



Frequency of making assessments of the main programs

N=396



The situation looks more optimistic with the **assessment of the main programs** of the organization. Such an assessment is done by nearly all (97%) organizations, and for 82% it is done at least once a year.

Here the main differences are related to the frequency of assessment. Half (50%) of the foundations have it more than once a year, while among associations – one-third (34%).

The organizations with income over 20,000 BGN assess their programs more frequently (over 92% make an assessment more than once a year), than those with lower income (less than 78%).

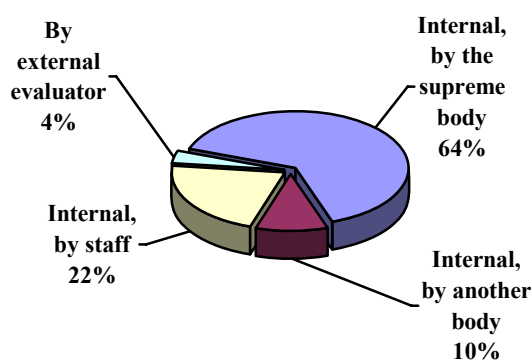
Among the NGOs working in the areas of education and research, and community development the organizations that conduct an assessment at least twice a year are 49% and 41%, respectively, and in the other three priority areas, as follows – social services (36%), business (29%) and environment (25%).

Usually the assessment of the main programs is done by the organization itself (96%) and very rarely (4%) by external evaluators. In two-thirds (64%) of the organizations the controlling functions are carried out by the NGO's supreme body. Another very popular practice is to have assessment done by the staff (22%), and most rarely (10%) the evaluator is from a body lower than the supreme one.

An annual report is published by slightly more than half (58%) of NGOs. This is more typical for foundations (68%), than associations (55%), as well as for the organizations in public benefit entered in the CR (77%) rather than for those that are not registered (40%) and for NGOs in private benefits (28%). Over 60% of the organizations with income exceeding 200,000

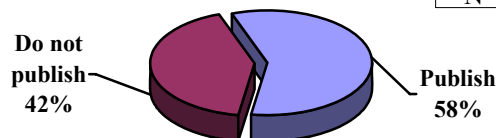
Subjects conducting assessment of the main programs

N=388



Publication of an annual report

N=400

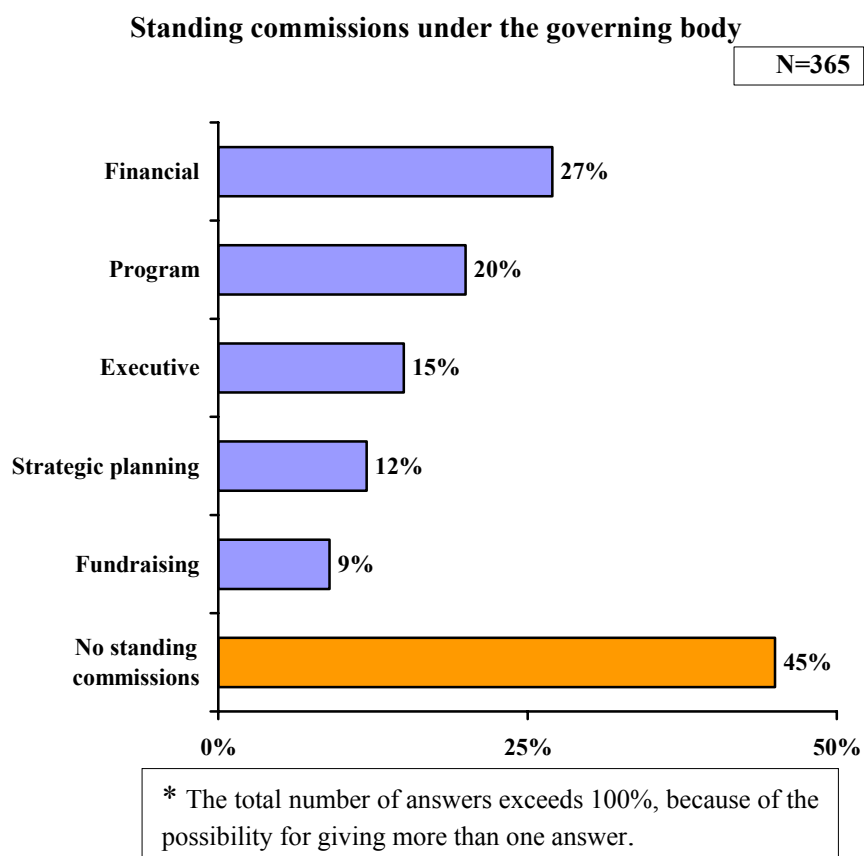


BGN produce an annual report, while among those with lower income this is done by less than a half (44%-45%). The publicizing of the results from the activity is typical for organizations working in the areas of community development (72%), social services (65%) and education and research (57%), rather than for the business (40%) and the environment (39%).

Structure of the governing body

In most of the NGOs (55%) standing committees are set up within the main governing body for certain workstreams of the activity. In the remaining part of organizations, however, there are no permanent subsidiary structures whatsoever.

Most often (27%) the standing committees are financial, and there is a program committee in one-fifth (20%) of the organizations. Executive committees (15%), committees on strategic planning (12%) and on fund-raising (9%) are less popular.



The setting up of sub-structures supporting the activity of the governing body is more characteristic for associations (59%), than for foundations (35%).

The existence of committees supporting the management activities depends to a large extent on the size of the organization. In over half (55%) of the NGOs without staff on the payroll no committees are set up. This proportion goes down with the

increase of staff, and comes down to nearly one-third (36%) among organizations with over 50 staff members.

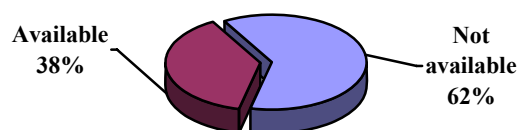
As far as the hired staff is an indication of the size of the NGO, the lack of committees in a large proportion of organizations can be explained by the lack of practical necessity in smaller organizations where the activity is actually limited in scope and the functions of the committees are likely performed by the governing body and/or its members without institutionalizing this.

Policy for the members of the governing body

Although in most cases there are internal regulations for the activity of the governing body, it should be mentioned that it is a rare practice to have the responsibilities of those who are involved in the NGO management to be regulated. In almost two-thirds (62%) of the organizations the members of the governing body have no specified job descriptions. There are not significant differences in the separate types of organizations in this regard.

Availability of job descriptions of the members of the governing body

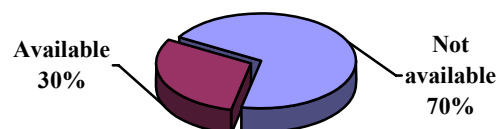
N=395



It is even less common among NGOs to have an orientation program for new members of the governing body. Less than one-third (30%) claim they have such. One has to take into account the youth of the third sector organizations and the lack of time limits to the terms of office, which does not presuppose frequent, serious or any other changes in the composition of the governing body. Therefore the most probable reason for such a situation is the lack of objective need from such programs.

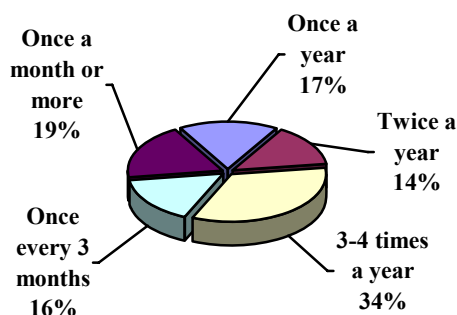
Availability of induction program for new members of the governing body

N=393



Frequency of meetings of the governing body

N=393

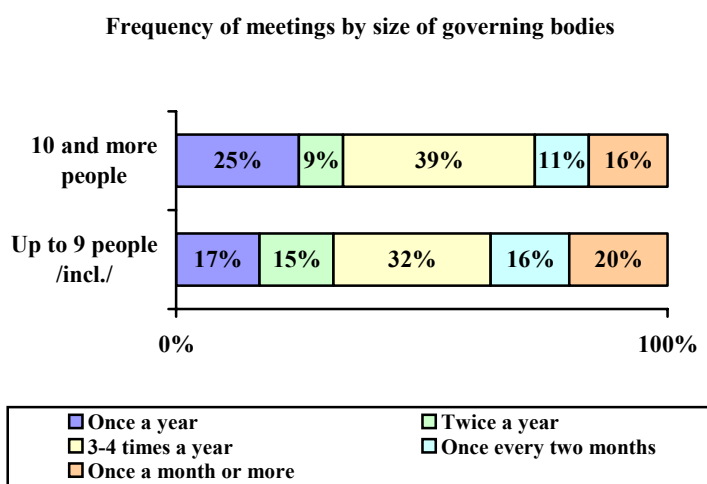


Sessions

The typical number of sessions for the majority (69%) of NGOs is at least 3-4 times a

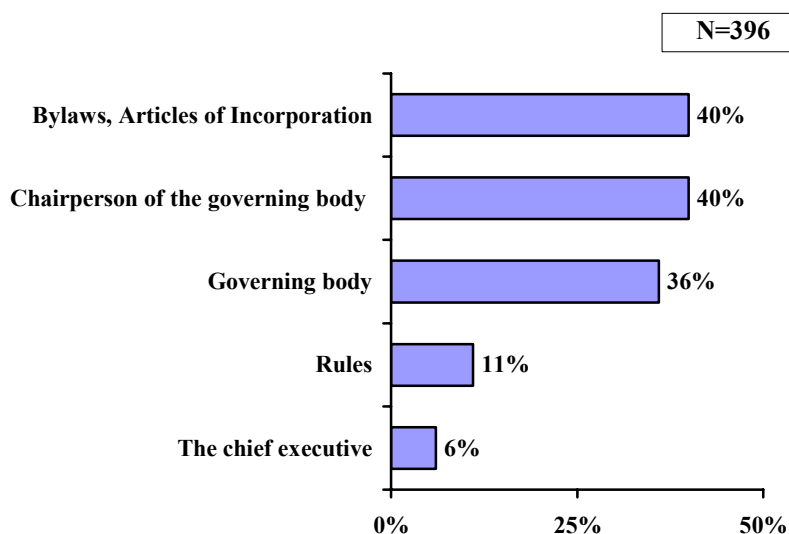
year. The sessions on a quarterly basis are the most widespread practice – 34%. One-fifth (19%) of the organizations have board meetings very often – once a month or more. Nearly the same proportion (17%) of organizations calls a meeting of the governing body once a year.

The results show that the governing bodies consisting of up to nine members are more flexible compared to the larger ones (10 and more people). Obviously the size of the governing body in some cases is an obstacle to its effectiveness – one-fourth (25%) of the organizations with the governing bodies of 10 or more people have just one session a year compared to 17% of NGOs with up to 9 members. On the other hand, the sessions that take place at least once every two months are typical for one-third (36%) of the organizations with smaller bodies against 26% in those with larger ones.



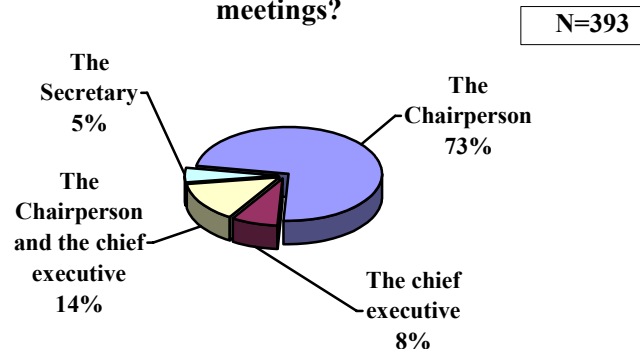
Most often the subjects that can convene the sessions of the governing body are its Chairperson (40%) or the governing body itself (36%). Usually the frequency of the sessions is specified in the Bylaws or the Articles of Incorporation of the NGO – 40%. Less rarely this is done in the Internal regulations – in 11%. The delegation of powers for calling a meeting to the chief executive is rather the exception – in 6% of organizations.

Standing commissions under the governing body



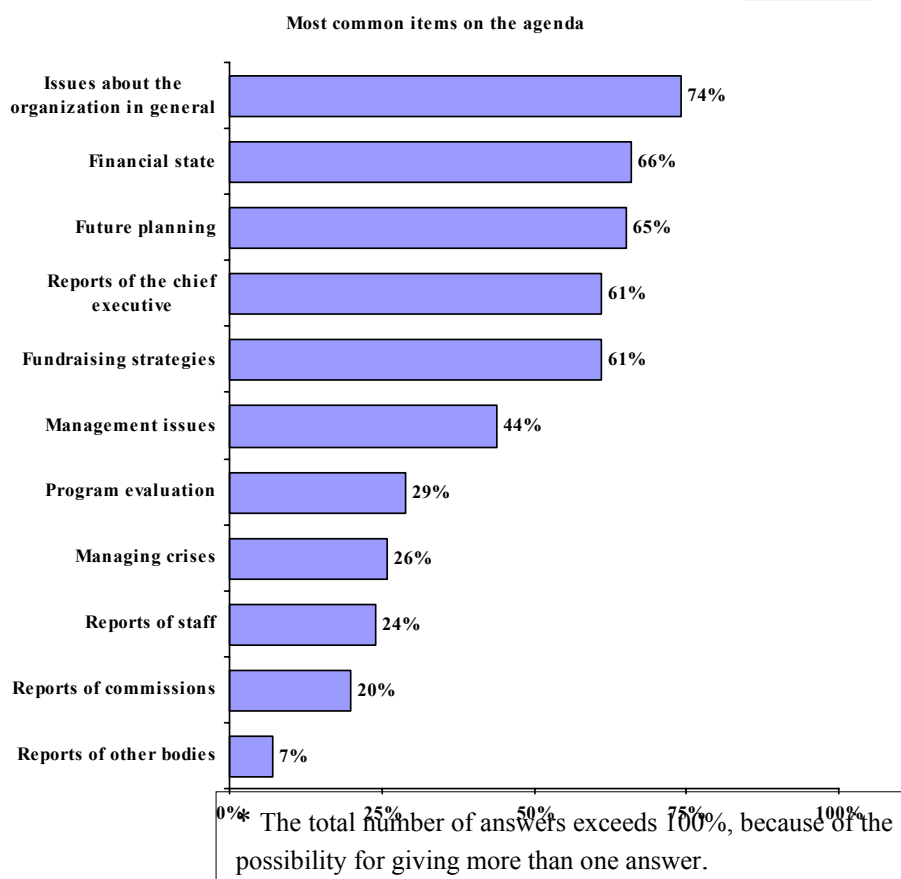
Usually the agenda of the meetings is an obligation of the Chairperson of governing body – in 73% of organizations. In considerably lower number of NGOs (14%) this responsibility is shared with the Chief executive. Very infrequently the Chief executive (8%) or the Secretary (5%) is responsible for the agenda.

Who is responsible for the agenda of the meetings?



N=396

The most common items on the agenda of the meetings are: discussion of issues related to the organization in general (74%); the financial status (66%); future planning (65%); fundraising strategies (61%) and reports of the chief executive (61%).



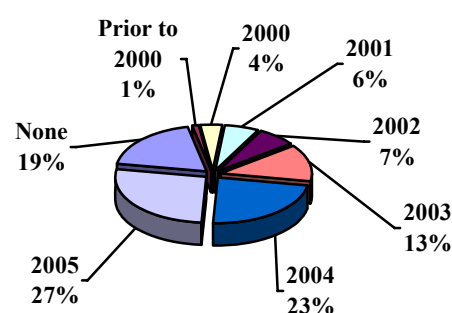
Long- term planning

One-fifth (19%) of the NGOs claim they have never made a long-term strategic plan. Half of the organizations have made such in 2004 (23%) or 2005 (27%).

The lack of a long-term plan is more typical for associations (21%), than for foundations (9%). The same is valid for NGOs with a more limited geographic scope of activity, local (22%) and regional (20%), compared to the ones working on a national and international level (14% each).

Latest drafted long-term plan

N=401



The lower income an NGO has, the higher the probability for it not to have a strategic plan is. Among organizations with a high income (over 100,000 BGN), less than 8% do not have a long-term strategy. This share grows higher with the decrease

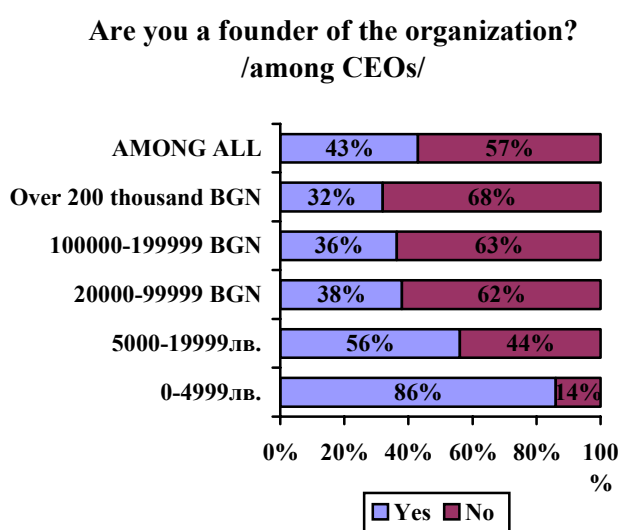
of the annual income and among NGOs with income of up to 5,000 BGN, one-third (31%) do not have such a plan.

5. Relations between the Chief executive and the governing body

Profile of the Chief Executive and participation in the governing body⁸

According to the data received from the survey, Chief Executives are more often hired by foundations after their establishment – 57%, rather than being founders – 43%. CEOs in foundations are more rarely founders – 38% compared to associations – 45%.

A similar proportion exists with regard to the amount of income of NGOs. With organizations having income of up to 5 thousand BGN and such with income of 5-20 thousand BGN, the majority of CEOs (87% and 56% respectively) are founders, whereas among those with income over 20 thousand BGN the prevailing number of

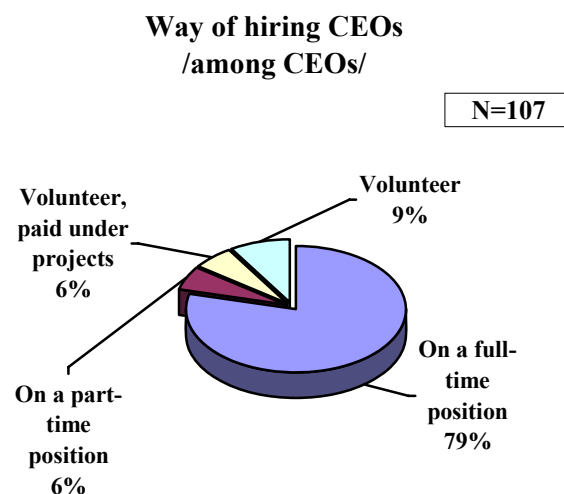


CEOs are not founders. It is obvious that the amount of income is one of the factors that determine not only the combination of positions in one person but also the practice of distributing managing powers among founders. Such an approach has a serious disadvantage since persons elected for Chief executives do not always have the necessary management capacity and skills, which inevitably has its impact on the effectiveness of the NGO.

⁸ The profile is done based on interviews with 107 CEOs of NGOs

It is a widespread practice for CEOs to be hired full-time – 79%.

It is less common for CEOs to be volunteers (9%), hired on a part-time position (6%) or to be volunteers, paid only when hired under projects (6%). Again the NGOs hiring practices are often a direct reflection of its income. In organizations with income amounting up to five thousand BGN only 14% of the CEOs are full-time, while where the income is 5-20 thousand BGN the full-time CEOs are 56%, and when the income exceeds 20 thousand BGN in almost all cases CEOs are full-time (83-90%).

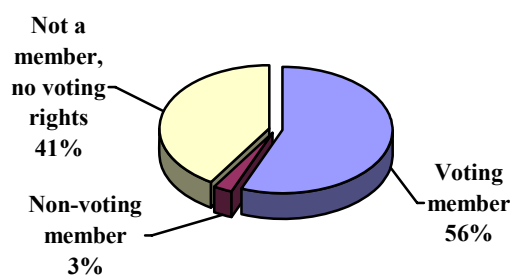


The two practices for CEOs to be part of the governing body or not to be part of it are almost equally popular.

The CEO is a voting member of the governing body in 56% of the surveyed NGOs and in 3% of the cases, CEOs are non-voting members. In 41% of the organizations the CEO is not a member and does not vote in the governing body. Having a CEO as a voting member of the governing body is more typical with associations

**Participation of the CEO in the
governing body
/among CEOs/**

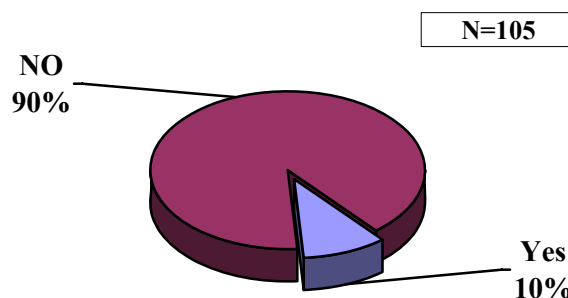
N= 100



(57%) than with foundations (41%). On the other hand, more often CEOs are non-voting members of the governing body in foundations (6%) and almost a precedent in associations – 1%. Among foundations it is more popular for CEOs not to be members and not to have voting rights in the governing body – 47%.

The combination of the positions of a CEO and a Chairman of the principal governing body in one person can be defined as an exception among the interviewed organizations. Only one-tenth (10%) claim that they are Chairmen of the governing bodies of their organizations. This way of structuring the separate bodies with the

Are you a Chairman of the governing body? /among CEOs/



prevailing number of NGOs is positive because it ensures a clear separation of powers in the organizations and reduces the conditions for abuses. The position of a Chairman of the governing body is occupied by a CEO more often in associations (12%) than in foundations (7%). The basic reason for such duplication has its grounds in the limited resources of the organizations. Almost one half (43%) of the CEOs of NGOs having income of up to 5 thousand BGN are Chairmen of the governing body as well. With organizations having income over 5 thousand BGN this percentage is more than 4 times lower – under 10%.

Most of the people interviewed in the qualitative survey describe the relations between the Executive Director and the governing body as a fruitful partnership. Such a positive relationship finds expression in continuous contacts between them by phone, e-mail and also by informal meetings other than the obligatory ones as per the Bylaws. The Executive Directors claim that the governing body always supports them when there appears a problem or simply when they need to consult or share an opinion. This is also due to the fact that in many cases the Executive Director is a member and/or the Chairperson of the governing body and the management structure is horizontal and not vertical.

"Whenever I need something I call them, I inform them, they are also looking for me when they have problems. In this sense it is a wonderful interaction."

"These are the people I rely on, who can solve a problem with me. So it is much more interaction than controlling, it is more of a partnership for solving an

issue rather than overseeing on their part and we think of the organizations and its plans''.

"We have more or less daily communication for the things in the organization, the areas we are working on, etc. And, respectively, recommendations on their part, problems, sending reports; holding discussions on various topics, pressing issues. Furthermore, the annual reports, drafting different action plans. These are the things that I normally discuss with the Management Board. And also talks by phone, when it is something more urgent. But in most cases the interaction is in writing."

"Well, perhaps the relations between the Board and the Executive Director can be most properly described as relations between colleagues. There is no hierarchy in terms of Board – Executive Director."

However, the relations between the governing body and the Executive Director are not always so cloudless and perfect. Although mentioned by just 1-2 interviewees, this fact should necessarily be taken into consideration as it is an indicator that there is a problem. The lack of other such opinions of bad interaction between the governing bodies shared by the other participants in the qualitative survey could be related to the socially desirable qualities demonstrated by some of the interviewees (because Executive Directors in some organizations are dependent on the governing body after all, as the respondents admit). These cases are linked to the existence of NGOs where, according to interviewees, the governing body is perceived rather as an obstacle to the development of the organization and blocking the efficient decision-making. They find an explanation for this in the fact that members of the body are not well informed, committed or interested in the activity of the NGOs. The opinion of one interviewed member of a governing body speaks for itself:

"First of all, I also know people who were on both sides of the fence, both in the Board and Managing Council, and on the position of an Executive Director and have come across the paradox that they are toiling and moiling and then a Board comes once a year in which half of the people are not even aware of things and they start to give profound advice and you need to have such strong nerves to make them aware; so when you imagine such moments it is much easier to expel such kind of

people. But in fact, the Executive Director does not have this power; it is they who can expel him. So this is a classical tragedy, classical theatre between the Board and the Executive Director. We, however, do not have such things. Because we have realized long ago that the biggest perturbations in the organization take place because of the interference of the so-called 'prominent figures', with and without quotation marks, who come to some General Assemblies that are convened rarely enough and start giving very precious advice. This precious advice is listened to, entered in the minutes and when it all happens this way it is good. But sometimes these people start to demand that this precious advice of theirs should be implemented on the dot. As I said, however, they are not in the loop at all, they come from certain sectors, while we are a mass organization and they are angry when their clever advice is not put into practice. This is the formula of conflict and that is why we have no Executive Director as the requirement is towards the Board – to be continuously and clearly informed and to provide very serious input. When every week you visit the website and monitor the development of the organization to which you donate 10,000 BGN and work for free for 50 working days, the Bylaws give you the right to be elected as Board member. This solved these problems very fast with the interference of an accidental Board of famous grand people who are giving advice and frivolously destroying organizations."

♦ Practices of good collaboration

The examples of good interaction between the Executive Director and the governing body given by the respondents are many and diverse. A large part of them consists of assistance in coping with crises of various types – financial problems, team conflicts, both material and not material assistance, and sometimes direct involvement, usually gratuitous, of members of the governing body in activities under a project.

"They (the members of the Management Board – authors' note) helped us first with the facilities – conference halls, etc. Then with moderators, trainers, as these sessions are moderated and it is good if this is done by qualified people. Other members of the General Assembly personally participated in trainings in their

capacity of specialized experts or recommended other people. Still others were helping us figure out how to solicit feedback ".

"The case in which we worked well with the Board of Trustees – we solved the crisis issue in our organization. At the end of 2003 we had a crisis between staff, i.e. between me and some of the staff members, and then the Board of Trustees supported me, which strengthened the organization although three people formally left. "

♦ Practices of poor collaboration

Most frequently the cases of problematic interaction between the Executive Director and the governing body are linked to the behavior of certain members of the governing body. Some respondents admitted the existence of conflicts stemming from a conflict of interests due to the simultaneous participation of the members of the body in other NGOs. Other examples mentioned during the interviews are disloyalty on behalf of individual members, poor performance of responsibilities and non-fulfillment of commitments:

"In the past I think there were several cases when members of the Management Board were involved in other activities and were in conflict, and it is not so much conflict of interest as rivalry for funding – two organizations apply to the same donor, and these people have participated in another organization, too".

"Let's take the town of X, where one member of the General Assembly was dealing with the project, this person had the contacts and had made a commitment. But he did not do his job, he had not made a good judgment. And after this person was elected there as ombudsman and we sent him to country X to be trained it turned out he just wanted to emigrate. This is an absolute short shrift. And this compromised the whole concept in the town of X in the end."

Sometimes the conflict situations are caused by the fact that some members of the body are too busy, and this hinders the communication and delays the decision-making - *"when someone is not in Bulgaria and meetings have to be postponed, this is actually obstructive. For instance the US Agency wants something relatively urgent, it is a priority for the Board, it has to be discussed with it and this is when it*

gets hard. You start making phone calls, sending e-mails, faxes, conference calls, issues are discussed".

At the same time cases are mentioned in which board members are dissatisfied with not being involved enough in the activity of the organization - *"for instance one of the people in the Management Board is too paranoiac and if he does not know what exactly has happened, he will feel sort of ignored. And for instance, if we had not informed him explicitly about a process, he feels isolated and takes offence."*

Interaction problems have also appeared due to the fact that some people from the body are not familiar with something and yet they demonstrate a 'fake interest' in the ongoing activity of the organization, which causes tension in the NGO team.

"Another case of over-control on the part of members of the Management Board is also related to, how to put it, personal qualities which are a demonstration of taking an interest. For instance, the person asks what is happening to this thing, or why you are doing it. And therefore makes a direct assessment without knowing the work in detail. And this is generally rather unnerving. The other thing is, again with the team, when people do not appreciate the work as they do not know it. It's like a wheel as, on the one hand, in order to avoid this, the Management Board has to be fully in the loop, it should be absorbed by the work. In order to be totally absorbed, however, the team needs to inform it all the time about what is going on. If this thing happens, however, the team will stop doing their job. They will only work to inform the Management Board. These are the things that very often lead to conflicts when no balance is found between the two".

The interviewees also touch upon another issue – the negative impact on NGO governance in cases when members of the body are directly involved in the activity as part of the implementation team of the organization.

"Those members of the Board who are part of the staff, let's say – one of them is a Development Director in the organization and member of the Board at the same time. And sometimes unwittingly, and at times not so unwittingly, this person pulls the carpet of development in a certain direction which might not be the best

line of development for the organization. This is one problem." (Member of the governing body)

During the interviews additional problems involving the inefficient judicial system and resulting delays for the dismissal of members from the governing body were shared by some interviewees. Such problems are not directly linked to the interaction with the governing body but are important from the viewpoint of NGO governance. This creates many inconveniences and gives rise to paradoxical situations. For instance, because of a delay of the court decision, the organization is applying for a project with the former composition of the governing body, while at the same time the dismissed member, but not deleted by the court yet, is also applying, but on behalf of another organization. *"In the end, for the following project I had to identify with a person whom we had already excluded but formally this person had not been excluded by court so I presented a court certificate that this person was in. And in the end it might be inconvenient for him, too, as he is participating in the same tender where he identifies himself now as Managing Director of the other foundation."*

IV. CONCLUSION

The following conclusions can be drawn up from the results of the survey:

The non-governmental sector in Bulgaria is relatively young – the majority of organizations (69%) have been created since 1995 and the biggest proportion (41%) was registered in the period 1995-1999. After the Non-Profit Legal Entities Act entered into force, which divided the non-profit organizations in terms of status as NGOs for private benefit and NGOs for public benefit, three-fourth of them have designated themselves to perform activity in public benefit which is indicative of the general direction of the activity of the sector. At the same time there is a considerable number of NGOs (18%) with a transitional which the legislation does not regulate by its virtue but does not prohibit as well – these are the organizations which are designated for performing activity in public benefit which are not registered in the Central registry at the Ministry of Justice.

- Although the registered organizations cover a wide range of activities in different social spheres, there is also a high concentration – five of the areas of activity have attracted two-thirds of the NGOs. Particularly attractive is the activity in the field of social services, one-fifth of organizations (20%) work predominantly on these issues. The explanation for this can be found in the multitude of social problems which emerged during the transformation of the economic system. At the same time, this is an indicator for the growing role of the third sector in the area of social services.
- What is characteristic of the sector is the large number of organizations which operate with little, and often insufficient funds that would hardly allow the development of any serious activity. The majority (72%) of NGOs have income of up to 20,000 BGN a year, and for one-third (32%) the funds are up to 5,000 BGN. At the same time it could be said, though based on relative calculations that about one half of the total amount of funds in the sector is concentrated in 13% of the

organizations⁹. Most probably this is balanced to a certain extent with the redistribution of funds among the NGOs themselves in Bulgaria. One-fifth (19%) of the organizations receive money from other Bulgarian NGOs, and these funds represent around 6% of the total income in the sector.

- It can be assumed that the Bulgarian third sector exists and performs its activities due to the international funds – around 40% of the income in the sector comes from foreign donors. Substantial sources of income are also the business activity (17%), donations from companies and individuals (14%) and membership fees (11%) in associations. The state and local budgets provide around 10% of the budget of the non-profit sector. The smallest proportion of funds comes from charitable activities – 2%.
- There are also significant differences between the two possible legal types of non-governmental organizations, in terms of operation. Basically, the foundations, although the smaller and younger group of organizations, have more funds, perform more efficiently their activity and have better management compared to associations. To some extent this is conditioned by the fact that they start with some initial funds by default, and it is assumed that a large part of the mechanisms for management, spending and control on funds are determined by the donor(s)/founder(s) of the foundation.
- The simple management structure of one governing body is characteristic for nearly half (46%) of the NGOs. When there are two bodies, the usual practice is to have a General Assembly as a supreme governing body and a Management Board as a main governing body.
- There is a predominance of organizations with a few members of the governing body – in 55% of the NGOs the latter consists of five people at the most, in one-fifth of them (20%) – of 6-7 people. This should be interpreted as an advantage for the organizations since the smaller number of people is generally a prerequisite for higher efficiency of the governing body and this is the main motive mentioned by

⁹ The calculation is made on the basis of a multiple choice question on the incomes in which the options are within intervals, by using the averages of the intervals. That is why the quoted figures are tentative and make no claim at being absolutely precise.

the interviewees for minimizing the participants. On the other hand, an advantage of the larger governing bodies is perceived to be the availability of specialists in more areas, which is particularly useful given that their work is usually unpaid and the organizations would often be unable to assign it against payment. The higher number also gives an opportunity to attract popular and influential public figures who could successfully lobby on behalf of the organization.

- A significant proportion of NGOs (37%) do not have staff. In the other group of organizations that hire staff full-time positions prevail (65%). The average number of staff hired by NGOs is 16-17 people. More often (40%) NGOs have minimum staff (1-4 employees). One-fourth (25%) of the NGOs have personnel between five and nine people and 18% are those that hire twenty and more people. The main factor that determines the availability of staff and its number is the income as with NGOs having the highest amount of income there are not organizations without paid staff. Besides, it is a common practice for NGOs to use volunteers (84%) and 27% of the organizations have more than 20 volunteers, 17% use the services of up to 20 volunteers and 21% have up to 10. It is an interesting fact that NGOs that have paid staff use volunteers more often than organizations with fewer personnel. Most frequently volunteer labor use NGOs operating the spheres of social services (90%), community development and environment (89% each), education (80%) and the business (72%).
- Among the typical powers of the governing bodies of NGOs are to determine the policy of the organization (77%), controlling functions (71%), the financial status of the organization (69%), to define the mission and objectives of the organization (67%) and improvement of the public image of the organization (61%).
- In the majority of NGOs (69%) the governing bodies have minimum 3-4 sessions per year as the practice of quarterly meetings is most widely spread – 34%. The results from the survey show that governing bodies of up to 9 members are more functional than those having 10 and more members. One-fourth (25%) of the organizations whose board consist of 10 and more people convene only one session per year while only 17% of the NGOs that have boards of up to 9 members hold board meetings on an annual basis.

- In practice, the governing bodies in a large proportion (79%) of NGOs are time-bound, but usually in these cases the number of terms of office is unlimited and theoretically it is possible that the management remains unchanged for a long period of time.
- The motivation of the members of NGO governing bodies is usually related to the development and strengthening of the organization and/or the cause for the achievement of which it has been created. Despite this fact, there are members of governing bodies who are driven by their desire for some sort of personal benefit, be it material or not. Such people sit purely formally (only nominally) on the governing bodies and do not contribute to the development of the NGO. In general, NGOs come up with various mechanisms for allowing only people who are useful to the organization to enter the governing bodies. By principle, the participation in governing bodies of Bulgarian NGOs is not remunerated and in 94% of the cases board members do not receive payment in their capacity of such. It is quite popular among NGOs (60%) to cover travel and other expenses of board-members when related to the activity of the organization. Besides, often (66%) the people sitting on the boards provide expert services to the organizations which are paid in one-third (36%) of the cases.
- The membership in NGO governing bodies, according to the interviewees, is esteemed only in circles somehow related to the third sector. The role and the mission of NGOs are not well understood by the public yet, and people do not find the sense, in general, of being a member in an NGO governing body.
- With regard to the roles and the responsibilities of CEOs in NGOs the practices of them being and being members of the governing body are equally spread. CEOs sit on the main governing body as a voting member in 56% of the survey NGOs. In 41% of the organizations CEOs are not members of this body and do not have the right to vote. Only in one-tenth (10%) of the cases, CEOs are simultaneously Chairmen of the main governing body and the main reason for that is the limited financial resources. Almost one half (43%) of the CEOs in NGOs with an income of up to 5 thousand BGN are Chairmen of the governing body as well. In

organizations with an income exceeding 5 thousand BGN the share of NGOs that have such a combination of positions is 4 times less – under 10%.

- As a rule, in many NGOs one cannot talk about distinction between management and executive functions, and sometimes even operational ones. The founders in 82% of the organizations and the staff in 27% are members of the governing body. Although there is institutionalization in the organizations, it is often formal since the same people perform different activities regardless of their position. This phenomenon is mainly explained by the lack of funds and the insufficient number of staff. On the one hand, the lack of distinction enables the better coordination, mobilization of the resources and management of the organization. On the other hand, this is a form of coalescence of separate unequal functions. In some cases the interference/ involvement of board members in the activity is perceived as damaging as it disrupts the balance between team members in a given project.
- Probably the small size of the organizations and the overlap of obligations is a key reason for the frequent lack of internal structural institutionalization of the governing body – slightly more than half of the organizations (55%) have committees for serving specific workstreams of the activity of the governing body.
- The regular financial audit is not a frequent practice in non-profit organizations. Around one-third of them (31%) do not conduct such an audit at all, and 25% have such occasionally. Most probably one of the reasons for this is the nature of operation of NGOs and in particular the uneven workload related to implementing concrete projects and accounting for them.

The lack of assessment of the main programs of the organization is rather the exception – only 3% of the NGOs have not made such an assessment. Four out of every five (82%) organizations have a review of their programs at least once a year. However, it has to be taken into consideration, that these assessments are actually made by a body of the organization itself – 96%. Given the overlap of duties in NGOs it means that the assessment is usually done by the people who have drafted the same programs.

V. APPENDIX

1. WHAT IS THE LEGAL FORM OF YOUR ORGANIZATION?

Foundation	19.2%
Association.....	80.8%

2. WHAT IS THE STATUS OF YOUR ORGANIZATION?

No response.....	1.7%
In public benefit registered in the Central registry	54.9%
In public benefit not registered in the Central registry	18.2%
For private (mutual) benefit	25.2%

3. WHAT YEAR WAS YOUR ORGANIZATION FIRST REGISTERED?

No response.....	1.2%
1869	0.2%
1878	0.2%
1895	0.2%
1900	0.5%
1901	0.2%
1921	0.2%
1934	0.5%
1935	0.2%
1947	0.2%
1955	0.2%
1966	0.2%
1981	0.2%
1982	0.2%
1985	0.2%
1988	1.0%
1989	0.5%
1990	8.2%
1991	4.0%
1992	6.7%
1993	2.7%
1994	4.2%
1995	7.5%
1996	6.5%
1997	11.2%
1998	7.0%
1999	7.7%
2000	11.0%
2001	6.0%
2002	6.5%
2003	2.0%
2004	1.2%
2005	0.7%

4. WHAT IS YOUR ORGANIZATION'S PRIMARY MISSION AREA?

No response.....	0.5%
Culture	3.7%
Interest clubs	3.0%
Education and research	14.0%
Health.....	3.0%
Social services.....	20.9%
Environment.....	9.0%
Community development.....	11.5%

Law and advocacy.....	2.0%
Public policies	4.5%
Philanthropy and voluntarism	3.2%
Human rights.....	5.0%
Ethnic issues	2.7%
International Affairs.....	1.2%
Religion.....	0.5%
Business/professional associations	10.7%
None of the above.....	4.5%

5. IS YOUR MISSION ENTERED IN THE BYLAWS/ARTICLES OF INCORPORATION?

No response.....	1.5%
Yes	95.0%
No	3.5%

6. WHAT IS THE GEOGRAPHIC SCOPE OF YOUR ORGANIZATION'S ACTIVITIES?

No response.....	2.2%
Local.....	19.0%
Including	
Turgovishte	0.2%
Karlovo	0.2%
South Central Region.....	0.2%
Plovdiv	1.0%
Stara Zagora.....	1.7%
Sofia.....	0.5%
The village of Opan	0.2%
Blagoevgrad.....	0.5%
Kyustendil.....	0.2%
Bourgas	1.5%
Yambol	2.0%
Sliven	0.5%
Kameno.....	0.2%
Sredets.....	0.2%
Vidin	0.7%
Rousse.....	0.2%
Dobrich	0.7%
Gotse Delchev.....	0.5%
Pleven	1.5%
Varna.....	1.0%
Pazardjik	0.5%
Haskovo	0.7%
Northwestern Region	0.2%
Lovech	0.5%
Vratsa	0.7%
Pernik.....	1.0%
Samokov	0.2%
Gabrovo	1.2%
Dryanovo	0.2%
Zlatograd.....	0.2%
Veliko Turnovo.....	0.2%
Svishtov	0.2%
Regional	44.9%
Including	
Turgovishte	0.7%
Razgrad	0.7%
South Central Region.....	3.2%

Plovdiv	1.0%
Rodopi	0.5%
Stara Zagora	2.2%
Sofia	0.7%
Blagoevgrad	1.5%
Kyustendil	0.2%
Burgas	2.0%
Yambol	2.0%
Sliven	0.5%
Aytos	0.2%
Vidin	0.2%
Rousse	1.2%
North Central Region	1.7%
Dobrich	1.0%
Gotse Delchev	0.5%
Pleven	2.5%
Varna	1.0%
Northeastern Region	0.7%
Silistra	2.2%
Northeastern Region	0.2%
Pazardjik	0.7%
Haskovo	1.0%
Kurdjali	0.2%
Smolyan	0.7%
Provadia	0.2%
Southeastern Region	2.2%
Northwestern Region	0.7%
Southwestern Region	1.0%
Lovech	1.0%
Lom	0.2%
Vratsa	1.2%
Pernik	1.5%
Gabrovo	1.7%
Veliko Turnovo	0.7%
Svishtov	0.2%
National	23.4%
International	10.5%

7. DOES YOUR ORGANIZATION HAVE LOCAL STRUCTURES?

No response	3.0%
Yes	47.9%
No	49.1%

8. IS YOUR ORGANIZATION AN ORGANIZATION'S BRANCH?

No response	1.7%
Yes	11.0%
No	87.3%

9. HOW MANY STAFF ON THE PAYROLL WORK AT YOUR ORGANIZATION?

Full-time

0	41.1%
1	7.5%
2	11.2%
3	7.7%
4	6.7%
5	4.2%
6	4.0%
7	3.0%
8	1.5%
9	1.0%

10	1.2%
11	0.5%
12	1.5%
13	0.7%
15	0.5%
16	0.5%
17	0.5%
18	0.7%
22	0.5%
23	0.2%
25	0.5%
27	0.7%
30	0.2%
32	0.5%
38	0.5%
43	0.2%
58	0.2%
60	0.2%
80	0.5%
106	0.2%
120	0.2%
170	0.2%
290	0.2%
400	0.2%

Part-time

0	60.1%
1	8.5%
2	8.0%
3	5.2%
4	2.0%
5	1.0%
6	3.2%
7	0.7%
8	1.5%
9	0.7%
10	0.7%
12	1.2%
13	0.2%
14	0.2%
15	1.2%
17	0.2%
18	0.2%
20	0.5%
21	0.5%
22	0.2%
23	0.2%
27	0.2%
28	0.2%
30	0.5%
32	0.2%
34	0.2%
40	0.7%
42	0.2%
46	0.2%
50	0.2%
300	0.2%
There are no employees on the payroll	36.7%

10. HOW MANY VOLUNTEERS OTHER THAN GOVERNING BODY MEMBERS SERVE IN YOUR ORGANIZATION ANNUALLY?

None.....	16.0%
1-5	18.7%
6-10	20.9%
11-20	17.2%
More than 20	27.2%

11. IF YOUR ORGANIZATION IS A MEMBERSHIP ORGANIZATION, HOW MANY MEMBERS DOES IT HAVE?

None.....	19.0%
Up to 5	2.0%
6-10	8.2%
11-15	12.2%
16-25	13.0%
26-50	14.0%
51-100	9.0%
101-250	7.2%
251-500	4.3%
501-1000	4.5%
1001-2000	2.6%
More than 2000	4.0%

12. WHAT WAS YOUR ORGANIZATION'S TOTAL REVENUE IN BGN FOR CALENDAR YEAR 2004?

No response.....	9.0%
0-4,999	28.2%
5,000-19,999	18.2%
20,000-99,999	22.9%
100,000-199,999	9.5%
More than 200,000	12.2%

13. A. SOURCES OF REVENUE OF NGOS

No response.....	7.2%
International donors	53.1%
Bulgarian NGOs.....	18.7%
State budget subsidy.....	16.7%
Local budget subsidy	7.2%
Corporate donations.....	23.4%
Individual donations.....	26.4%
Economic activity	35.4%
Charitable activities.....	11.2%
Membership fees.....	45.6%

13. B. IN WHAT PROPORTION DO THE FOLLOWING SOURCES OF FUNDING FORM YOUR TOTAL REVENUE?

International donors	40.4%
Bulgarian NGOs.....	5.7%
State budget subsidy.....	7.8%
Local budget subsidy	1.9%
Corporate donations.....	8.2%
Individual donations.....	5.8%
Economic activity	16.8%
Charitable activities.....	2.6%
Membership fees.....	10.8%

14. DOES YOUR ORGANIZATION PRODUCE AN ANNUAL REPORT?

No response.....	0.2%
Yes	57.4%
No.....	42.4%

15. IF YES, HOW OFTEN?

No response.....	0.7%
Does not publish a report	42.4%
Once a year	54.1%
Once every two years.....	2.0%
Once every three years.....	0.2%
Occasionally.....	0.5%

16. HOW WAS THE LAST ANNUAL REPORT DISTRIBUTED?

No response.....	19.5%
Available in the office.....	30.2%
At public events	28.7%
In a newsletter	9.2%
Through the bodies/founders of the organization ..	18.0%
Sent to donors	18.5%
Sent to state bodies.....	24.9%
Published in the Internet	12.0%
Published in newspapers	4.0%
By post	4.2%
Other	5.7%

17. WHAT IS THE NAME OF YOUR ORGANIZATION'S SUPREME GOVERNING BODY?

No response.....	0.2%
General Assembly	68.1%
Board of Trustees	3.5%
Foundation's Council.....	0.7%
Founders' Council.....	1.5%
Donors' Council.....	0.5%
Management Board.....	23.7%
Board of Directors	1.2%
Executive Board.....	0.5%

18. DOES THE GOVERNING BODY DESIGNATED ABOVE NOMINATE, APPOINT, ELECT, OR DELEGATE RESPONSIBILITIES TO A SECOND BODY?

No response.....	0.7%
Yes	73.1%
No	26.2%

19. IF YES, PLEASE SPECIFY THE NAME OF THIS SECOND BODY:

No response.....	28.7%
Management Board.....	63.2%
Board of Directors	0.7%
Executive Board.....	2.7%
Other	4.6%

Including

Presidency	0.7%
Board of Trustees	1.0%
Supervisory Board	0.7%
National Council.....	0.5%
Coordination Council.....	0.7%
General Assembly.....	0.5%
Club Council	0.2%

20. IF YOUR ORGANIZATION HAS MORE THAN ONE GOVERNING BODY, WHICH IS THE MAIN GOVERNING BODY?

It only has one governing body 45.6%
 It has more than one governing body 54.4%

Including

Management Board 31.9%
 Executive Board 1.2%
 General Assembly 16.5%
 Presidency 0.4%
 Board of Trustees 0.5%
 Municipal Council 1.2%
 Union Executive Board 0.2%
 Regional Council 0.5%
 Donors' Council 0.2%
 Children's Council 0.2%
 Coordination Council 0.2%
 Board of Directors 0.5%
 Club Council 0.2%

21. HOW MANY MEMBERS DOES THE GOVERNING BODY HAVE?

0 0.7%
 1 0.2%
 2 1.0%
 3 25.9%
 4 1.7%
 5 25.2%
 6 2.7%
 7 17.5%
 8 1.5%
 9 4.2%
 10 1.7%
 11 3.5%
 12 1.5%
 13 1.2%
 15 3.2%
 16 0.5%
 17 0.5%
 18 0.2%
 20 0.5%
 21 0.5%
 22 0.2%
 23 0.2%
 25 0.5%
 29 0.5%
 30 1.0%
 32 0.2%
 33 0.2%
 39 0.2%
 44 0.2%
 45 0.2%
 46 0.2%
 48 0.5%
 59 0.2%
 65 0.2%
 74 0.2%
 90 0.2%
 352 0.2%

22. HOW MANY OF THEM ARE WOMEN?

0 11.7%
 1 17.2%
 2 25.2%
 3 19.5%
 4 7.5%
 5 5.0%
 6 2.7%
 7 2.5%
 8 0.5%
 9 1.0%
 10 1.0%
 11 0.7%
 12 0.5%
 13 0.7%
 14 0.5%
 15 0.5%
 16 0.2%
 17 0.2%
 18 0.5%
 19 0.5%
 20 0.2%
 21 0.5%
 30 0.5%
 40 0.2%
 200 0.2%

23. HOW MANY OF THEM ARE MEN?

0 14.7%
 1 16.7%
 2 15.7%
 3 13.2%
 4 10.7%
 5 9.0%
 6 4.0%
 7 3.7%
 8 1.7%
 9 2.2%
 10 1.0%
 12 1.2%
 13 0.7%
 14 0.7%
 15 0.2%
 16 0.2%
 17 0.2%
 18 0.7%
 19 0.5%
 20 0.2%
 22 0.2%
 25 0.2%
 29 0.2%
 31 0.2%
 49 0.2%
 50 0.2%
 61 0.2%
 71 0.2%
 152 0.2%

24. IS THE CHAIR OF THE GOVERNING BODY MALE OR FEMALE?

No response.....	1.5%
Male	56.6%
Female.....	41.9%

Average number of members of the governing body
..... 9

DISTRIBUTION OF THE MEMBERS OF THE GOVERNING BODY BY GENDER

Male	54,3%
Female.....	45,7%

25. HOW MANY GOVERNING BODY MEMBERS FALL IN THE FOLLOWING AGE GROUPS?

Under 30 years old	10.2%
30-39	17.9%
40-49	33.2%
50-59	24.7%
Over 60	14.0%

26. HOW MANY GOVERNING BOARD MEMBERS ARE:

Bulgarian.....	89.9%
Turkish	1.4%
Roma	5.2%
Armenian.....	1.3%
Jewish.....	0.6%
Other	1.6%

27. IS/ARE THE FOUNDER(S) MEMBER(S) OF THE GOVERNING BODY?

No response.....	1.7%
Yes	81.0%
No.....	17.2%

28. HOW IS THE SIZE OF THE GOVERNING BODY DETERMINED?

No response.....	0.5%
In the Bylaws/Articles of Incorporation.....	82.5%
In the Bylaws	4.7%
By decision of current governing body members ...	8.5%
By decision of the founder(s).....	3.7%

29. WHO IS RESPONSIBLE FOR NOMINATING NEW MEMBERS OF THE GOVERNING BODY?

No response.....	0.7%
Members of the organization or the General Assembly	72.8%
Branches or affiliates	1.0%
Current governing body members.....	15.2%
Members of another body of the organization	2.0%

Including

Association.....	0.2%
Board of Trustees	0.5%
Management Board	1.0%
Companies.....	0.2%
The founder(s) of the organization.....	6.5%
The chief executive or staff members	5.2%
Donors.....	0.7%
The parent organization	0.7%
Others.....	1.7%

Including

Commission	0.5%
Board of Trustees	0.2%

Management Board.....	1.0%
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30. WHO IS RESPONSIBLE FOR ELECTING NEW MEMBERS OF THE GOVERNING BODY?

No response.....	0.7%
Members of the organization or the General Assembly	78.1%
Current governing body members.....	13.2%
Members of another body of the organization	1.2%

Including

Board of Trustees	0.2%
Management Board	0.5%
Companies	0.2%
Founder(s) of the organization.....	6.5%
The chief executive or staff members	4.0%

A separate group or legal entity such as religious community, business or governmental organization 0.5%

Parent organization	0.7%
Others.....	1.2%

Including

Commission	0.2%
Board of Trustees	0.2%
Management Board	0.7%

31. HOW LONG ARE THE TERMS OF OFFICE FOR MEMBERS OF THE GOVERNING BODY?

No response.....	1.0%
1 year	2.0%
2 years	8.7%
3 years	29.4%
4 or more years	37.9%
No limit	20.9%

32. HOW MANY CONSECUTIVE TERMS OF OFFICE MAY MEMBERS OF THE GOVERNING BODY SERVE?

No response.....	2.2%
One.....	1.7%
Two	12.0%
Three or more.....	6.7%
No limit.....	77.3%

33. ARE MEMBERS OF THE GOVERNING BODY PAID FOR THEIR SERVICE ON THE GOVERNING BODY?

No response.....	1.0%
Yes	5.5%
No	93.5%

34. IF YES, HOW MUCH?

No response.....	2.0%
One minimal salary	1.5%
Two minimal salaries	0.2%
Three to five minimal salaries.....	0.7%
Other amount	2.0%

Including

10% of the minimal salary	0.5%
30 BGN fee	0.5%
50 BGN a year	0.2%
Half a salary	0.2%
8 BGN a day	0.2%
My working salary	0.2%
None.....	93.5%

35. DO MEMBERS OF THE GOVERNING BODY PROVIDE OTHER PROFESSIONAL SERVICES TO THE ORGANIZATION?

No response.....	1.7%
Yes	64.8%
No.....	33.4%

36. IF YES, ARE MEMBERS OF THE GOVERNING BODY PAID FOR THE PROFESSIONAL SERVICES THEY PROVIDE TO THE ORGANIZATION?

No response.....	35.7%
Yes	23.2%
No.....	41.1%

37. ARE TRAVEL COSTS AND SIMILAR EXPENSES ASSOCIATED WITH GOVERNING BODY MEMBERSHIP REIMBURSED?

No response.....	1.2%
Yes, completely.....	26.7%
Yes, partially	31.9%
No.....	40.1%

38. WHAT ARE THE MAIN RIGHTS AND RESPONSIBILITIES OF THE GOVERNING BODY?

No response.....	1.2%
Overseeing projects of organization.....	71.3%
Formulating policy for organization	77.3%
Identifying organization's mission and goals	67.3%
Approving budget	65.6%
Monitoring organization's finances	68.8%
Fund-raising	55.4%
Strategic planning	55.9%
Establishing and monitoring projects and services.....	44.9%
Managing day-to-day operations.....	32.9%
Approving grants	15.7%
Recruiting and training new staff.....	19.0%
Allocating responsibilities of staff	30.4%
Lending prestige to organization.....	55.9%
Giving expert advice	46.4%
Recruiting and dismissing the chief executive	35.4%
Evaluating the chief executive	34.9%
Strengthening organization's public image	60.6%
Creating and maintaining partnerships.....	64.1%
Ensuring accountability.....	64.8%
Responsible for selection and induction of new members of governing body.....	30.7%
Self-assessment of performance.....	49.1%
Other	8.2%

39. OF THE ACTIVITIES LISTED IN QUESTION 38, RANK THE FOUR THAT ARE THE MOST IMPORTANT.

1st place

No response.....	8.7%
Overseeing projects of organization.....	13.5%
Formulating policy for organization	32.7%
Identifying organization's mission and goals.....	17.5%
Approving budget	2.0%
Monitoring organization's finances	1.0%
Fund-raising	4.0%
Strategic planning	6.7%
Establishing and monitoring projects and services	0.5%

Managing day-to-day operations	5.2%
Approving grants	0.5%
Recruiting and training new staff.....	0.2%
Lending prestige to organization.....	1.7%
Giving expert advice	0.5%
Recruiting and dismissing the chief executive.....	0.5%
Strengthening organization's public image.....	2.7%
Creating and maintaining partnerships.....	1.2%
Ensuring accountability	0.7%

2nd place

No response.....	9.5%
Overseeing projects of organization.....	7.7%
Formulating policy for organization	16.7%
Identifying organization's mission and goals	12.7%
Approving budget	10.0%
Monitoring organization's finances	7.2%
Fund-raising	4.2%
Strategic planning	7.0%
Establishing and monitoring projects and services	2.7%
Managing day-to-day operations	3.2%
Approving grants	1.0%
Recruiting and training new staff.....	1.0%
Allocating responsibilities of staff	2.5%
Lending prestige to organization.....	3.0%
Giving expert advice	2.0%
Evaluating the chief executive	0.7%
Strengthening organization's public image	3.0%
Creating and maintaining partnerships.....	2.7%
Ensuring accountability	2.0%
Responsible for selection and induction of new members of governing body	0.5%
Self-assessment of performance.....	0.5%

3rd place

No response.....	11.0%
Overseeing projects of organization.....	4.5%
Formulating policy for organization	3.0%
Identifying organization's mission and goals	4.7%
Approving budget	9.0%
Monitoring organization's finances	9.5%
Fund-raising	7.0%
Strategic planning	12.5%
Establishing and monitoring projects and services	3.0%
Managing day-to-day operations	2.0%
Approving grants	0.7%
Recruiting and training new staff.....	1.2%
Allocating responsibilities of staff	1.2%
Lending prestige to organization.....	3.2%
Giving expert advice	3.2%
Recruiting and dismissing the chief executive.....	2.7%
Evaluating the chief executive	1.7%
Strengthening organization's public image	6.2%
Creating and maintaining partnerships.....	6.7%
Ensuring accountability	5.7%
Responsible for selection and induction of new members of governing body	0.2%
Self-assessment of performance.....	0.7%

4th place

No response.....	13.0%
Overseeing projects of organization.....	5.7%
Formulating policy for organization	1.7%

Identifying organization's mission and goals.....	2.2%
Approving budget	5.0%
Monitoring organization's finances	5.5%
Fund-raising	4.0%
Strategic planning	5.2%
Establishing and monitoring projects and services ..	3.7%
Managing day-to-day operations.....	3.7%
Approving grants	0.7%
Allocating responsibilities of staff	2.2%
Lending prestige to organization.....	4.0%
Giving expert advice	2.2%
Recruiting and dismissing the chief executive.....	4.0%
Evaluating the chief executive	1.5%
Strengthening organization's public image.....	8.2%
Creating and maintaining partnerships.....	7.7%
Ensuring accountability.....	10.2%
Responsible for selection and induction of new members of governing body.....	1.2%
Self-assessment of performance.....	6.0%
Others.....	1.2%

40. HOW OFTEN DOES YOUR ORGANIZATION CONDUCT A FINANCIAL AUDIT?

No response.....	2.0%
Once a year	37.2%
Every 2 years.....	6.5%
Occasionally.....	24.4%
Never.....	29.9%

41. HOW OFTEN DOES YOUR ORGANIZATION EVALUATE ITS CORE PROGRAMS?

No response.....	1.2%
More than once a year	36.7%
Once a year	44.9%
Every 2 years.....	5.7%
Occasionally.....	8.7%
Never.....	2.7%

42. WHAT KIND OF PROGRAM EVALUATION DOES YOUR ORGANIZATION CONDUCT?

No response.....	3.2%
Internal, by the highest governing body.....	62.1%
Internal, by another body	1
Internal, by the staff.....	21.2%
External, by an outside auditor.....	3.5%

43. WHAT STANDING COMMITTEES DOES THE GOVERNING BODY HAVE?

No response.....	3.5%
Finance.....	27.2%
Strategic planning	11.7%
Executive.....	15.0%
Programs	2
Nominating	1.7%
Fundraising	8.7%
Other	

Including

Branch.....	0.2%
Supervisory Council.....	2.0%
IT.....	0.2%
Ethics	0.2%
Youth	0.2%

Communications	0.2%
Calamities and accidents.....	0.2%
Pedagogical.....	0.5%
Expert-advisory.....	0.5%
Marketing.....	0.2%
Leasing.....	0.2%
None.....	45.4%

44. IS THERE AN INDUCTION PROGRAM FOR NEW MEMBERS OF THE GOVERNING BODY?

No response.....	2.0%
Yes	28.9%
No	69.1%

45. IS THERE A JOB DESCRIPTION OF MEMBERS OF THE GOVERNING BODY?

No response.....	1.5%
Yes	37.2%
No	61.3%

46. WHEN WAS THE LAST TIME YOUR ORGANIZATION ADOPTED A MULTI-YEAR PLAN?

It adopted a plan in:..... 81.3%
month/year

7 1994	0.2%
8 1996	0.2%
2 1999	0.2%
9 1999	0.2%
12 1999	0.2%
2000	0.2%
1 2000	0.7%
2 2000	0.2%
3 2000	0.2%
5 2000	1.0%
10 2000	0.5%
12 2000	0.7%
2001	1.2%
1 2001	0.2%
2 2001	0.5%
3 2001	0.5%
4 2001	0.7%
8 2001	0.2%
9 2001	0.2%
10 2001	0.2%
11 2001	0.7%
12 2001	0.7%
2002	1.2%
1 2002	0.5%
2 2002	0.2%
3 2002	0.5%
4 2002	0.5%
5 2002	1.0%
6 2002	0.2%
7 2002	0.5%
9 2002	0.7%
10 2002	0.5%
12 2002	1.2%
2003	2.0%
1 2003	1.7%
2 2003	1.2%
3 2003	0.7%
4 2003	1.0%

5 2003	0.7%
6 2003	1.0%
7 2003	0.5%
8 2003	0.2%
9 2003	1.2%
10 2003	0.7%
11 2003	0.5%
12 2003	1.2%
2004	2.7%
1 2004	0.7%
2 2004	0.2%
3 2004	1.7%
4 2004	1.2%
5 2004	1.2%
6 2004	1.2%
7 2004	1.7%
8 2004	1.0%
9 2004	0.7%
10 2004	2.5%
11 2004	3.2%
12 2004	5.0%
2005	0.7%
1 2005	4.7%
2 2005	2.2%
3 2005	2.7%
4 2005	2.7%
5 2005	3.2%
6 2005	1.7%
7 2005	1.0%
8 2005	0.5%
9 2005	2.2%
10 2005	2.5%
11 2005	2.7%

It has not adopted a plan 18.7%

47. HOW OFTEN DOES THE GOVERNING BODY MEET?

No response	2.0%
Once a year	16.5%
Twice a year	14.0%
3-4 times a year	33.4%
Bi-monthly	15.2%
Monthly or more frequently	19.0%

48. WHO DECIDES WHEN TO CALL A MEETING?

No response	1.2%
The frequency of meetings is specified in the Bylaws/Articles of Incorporation	40.1%
The frequency of meetings is specified in the Bylaws	11.0%
The governing body decides when to hold meetings	35.9%
The chair of the governing body decides when to hold meetings	39.7%
The second body decides when to hold meetings	0.5%
The chief executive decides when to hold meetings	5.7%

49. WHO IS RESPONSIBLE FOR THE AGENDA OF THE MEETING?

No response	1.5%
Chair of the governing body	72.1%
The chief executive or staff	7.5%
Chair of the governing body and the chief executive	13.7%
Secretary	5.0%

Other	0.2%
-------	------

50. HOW MANY MEMBERS OF THE GOVERNING BODY USUALLY ATTEND MEETINGS?

No response	2.0%
All	43.9%
More than half	48.1%
About half	5.2%
Less than half	0.7%

51. ARE MINUTES TAKEN AT MEETINGS?

No response	2.0%
Yes	94.3%
No	3.7%

52. WHAT ARE THE MOST COMMON ITEMS ON THE MEETING AGENDAS?

No response	3.0%
Listening to and approving the reports of the chief executive	60.6%
Listening to and approving the reports of the committees with the governing body	20.4%
Listening to and approving the second body's report	7.2%

Including

Executive Bureau	0.5%
Management Board	0.7%
Children's Council	0.2%
Regional Club	0.2%
Financial Department	0.2%
Listening to staff reports	23.9%
Reviewing financial statements	66.1%
Discussing fund-raising strategies	61.1%
Dealing with crises	25.9%
Discussing questions related to the organization in general	74.1%
Discussing management issues	43.6%
Planning for the future	64.8%
Evaluations (of programs of the chief executive or the governing body)	28.9%
Other	3.0%

Including

Tracking of projects	1.2%
Current affairs	0.4%
Discussing projects	0.2%
Philanthropy	0.2%
Financial reports	0.7%
Recruiting volunteers	0.2%

53. Of the categories above, rank the two that occupy the greatest amount of time:

1st place	
No response	7.2%
Listening to and approving the reports of the chief executive	19.5%
Listening to and approving the reports of the committees with the governing body	4.5%
Listening to and approving the second body's report	0.5%
Listening to staff reports	3.0%
Reviewing financial statements	5.2%
Discussing fund-raising strategies	15.2%
Dealing with crises	3.5%
Discussing policy questions	28.2%
Discussing management issues	2.5%

Planning for the future	8.7%
Evaluations (of programs of the chief executive or the governing body)	0.7%
Other	1.2%
2nd place	
No response.....	10.5%
Listening to and approving the reports of the chief executive	8.7%
Listening to and approving the reports of the committees with the governing body	2.5%
Listening to and approving the second body's report.....	0.7%
Listening to staff reports	2.5%
Reviewing financial statements.....	14.0%
Discussing fund-raising strategies.....	15.0%
Dealing with crises.....	2.5%
Discussing policy questions.....	14.7%
Discussing management issues	9.0%
Planning for the future	16.0%
Evaluations (of programs of the chief executive or the governing body)	3.0%
Other	1.0%
54. WHAT IS YOUR POSITION?	
No response.....	2.0%
Executive Director	26.7%
Chair.....	53.1%
Secretary	10.7%
Other	7.5%
55. WHAT IS YOUR EMPLOYMENT IN THE ORGANIZATION?	
No response.....	3.0%
Full-time.....	45.1%
Part-time.....	8.0%
Volunteer who is paid under projects.....	16.0%
Volunteer.....	27.9%
56. RECENT STUDIES HAVE SHOWN THAT THE CHIEF EXECUTIVE OFTEN HAS RESPONSIBILITIES CLOSE TO THOSE OF THE GOVERNING BODIES. PLEASE NOTE WHICH OF THE ACTIVITIES LISTED BELOW ARE PERFORMED BY THE CHIEF EXECUTIVE.	
No response.....	12.2%
Overseeing projects of organization.....	71.8%
Formulating policy for organization	38.4%
Identifying organization's mission and goals.....	23.2%
Approving budget	18.0%
Monitoring organization's finances	60.8%
Fund-raising	51.4%
Strategic planning	35.9%
Establishing and monitoring projects and services.....	39.2%
Managing day-to-day operations.....	60.8%
Approving grants	8.7%
Recruiting and training new staff.....	41.4%
Allocating responsibilities of staff	62.6%
Lending prestige to organization.....	46.1%
Giving expert advice	42.1%
Recruiting and dismissing the chief executive.....	6.7%
Evaluating the chief executive	6.5%
Strengthening organization's public image.....	42.4%
Creating and maintaining partnerships.....	62.1%

Ensuring accountability	57.4%
Responsible for selection and induction of new members of governing body	18.2%
Self-assessment of performance.....	27.9%
Other	5.7%
57. DO YOU HAVE A JOB DESCRIPTION?	
No response.....	3.0%
Yes	63.1%
No	33.9%
58. ARE YOU ALSO A FOUNDER OF THE ORGANIZATION?	
No response.....	2.2%
Yes	65.8%
No	31.9%
59. ARE YOU A MEMBER OF THE GOVERNING BODY?	
No response.....	3.2%
Yes	79.3%
No	17.5%
60. DO YOU HAVE VOTING RIGHTS ON THE GOVERNING BODY?	
No response.....	3.5%
Yes	79.6%
No	17.0%
61. ARE YOU ALSO CHAIR OF THE GOVERNING BODY?	
No response.....	3.0%
Yes	51.4%
No	45.6%
62. ARE STAFF MEMBERS ALSO MEMBERS OF THE GOVERNING BODY?	
No response.....	13.7%
Yes	23.4%
No	62.8%
63. DO STAFF MEMBERS HAVE VOTING RIGHTS ON THE GOVERNING BODY?	
No response.....	12.7%
Yes	27.2%
No	60.1%
64. IF STAFF MEMBERS ARE MEMBERS OF THE GOVERNING BODY, WHAT ARE THEIR STAFF POSITIONS?	
No response.....	86.3%
Coordinator of a center	0.2%
Manager of a business incubator.....	0.2%
Manager	0.9%
Consultant	0.4%
Manager of youth groups	0.2%
Executive Director	2.0%
Project Coordinator	0.7%
Technical Assistant	2.4%
Coordinator	2.9%
Expert.....	1.0%
Deputy Chair.....	1.0%
Chair	1.2%
Legal Advisor	0.2%
Expert Educational Projects	0.2%
Translator/Interpreter	0.2%
Volunteer	0.7%
Regional Chair	0.2%

Accountant	0.9%
Donor	0.2%
Secretary	0.9%
Teacher.....	0.5%
Project Manager	0.2%

65. IN WHAT AREAS DO THE GOVERNING BODY AND YOU WORK TOGETHER MOST OFTEN?

No response.....	3.5%
Fund-raising	62.1%
Crisis management.....	38.2%
Financial oversight.....	48.9%
Policy formulation.....	72.3%
Planning	66.1%
Program implementation.....	63.8%
Staff management	29.9%
Community relations.....	58.4%
Advocacy	31.9%
Other	6.2%

66. IN WHAT AREAS DO THE GOVERNING BODY AND YOU WORK BEST TOGETHER?

No response.....	5.2%
Fund-raising	41.1%
Crisis management.....	28.2%
Financial oversight.....	35.7%
Policy formulation.....	56.6%
Planning	48.6%
Program implementation.....	48.9%
Staff management	19.5%
Community relations.....	40.6%
Advocacy	17.5%
Other	4.2%

67. IN WHAT AREAS DO THE GOVERNING BODY AND YOU WORK LEAST WELL TOGETHER?

No response.....	38.9%
Fund-raising	26.2%
Crisis management.....	9.5%
Financial oversight.....	4.7%
Policy formulation.....	4.0%
Planning	6.5%
Program implementation.....	5.7%
Staff management	4.5%
Community relations.....	8.0%
Advocacy	11.0%
Other	7.7%

68. HOW COULD THE GOVERNING BODY ASSIST YOU IN YOUR WORK?

No response.....	47.1%
Involvement in the activity	12.2%
Individual members being more active	11.6%
Through organizational experience.....	1.2%
Attracting funds from donors.....	9.0%
Public relations.....	2.5%
Taking over certain areas of responsibility	0.2%
Expanding the organization.....	0.7%
Lobbying.....	4.2%
More approved projects	0.2%
Generating ideas.....	1.9%
Policy-making	1.0%

Raising the awareness of the activity	0.4%
Joint initiatives	1.4%
Direct involvement in projects.....	4.1%
Involving volunteers in the work	0.5%
Strategic planning	2.0%
Paying volunteer's labor	0.5%
Coordination	0.2%
Attracting external experts	0.4%
Providing information on individual projects	1.7%
Expert decisions	1.9%
Improving teamwork.....	1.2%
Expanding contacts with NGOs.....	0.2%
Seeking opportunities for action	0.2%
Training	0.2%
Allocation of functions	0.5%
Collecting membership fees.....	0.2%

69. HOW COULD YOU BETTER ASSIST THE GOVERNING BODY IN ITS WORK?

No response.....	54.1%
Providing information.....	9.2%
Coping with crises	1.0%
Through organizational experience.....	2.7%
Involvement in its activity	3.4%
Better links between the Management Board and the team	0.2%
Responsible implementation of functions and obligations.....	7.2%
Exploring ways for fund-raising	0.7%
Delegating more responsibilities to the Management Board.....	0.7%
Better allocation of responsibilities and obligations	1.0%
More frequent general assemblies.....	3.0%
Longer-lasting job	0.7%
Project implementation	2.9%
Expert involvement in the activity	2.2%
Lobbying.....	1.0%
Continuous communication between us.....	3.4%
Fund-raising.....	3.4%
Planning the activity	1.7%
Generating ideas	2.7%
Participation in decision-making	0.7%
Joint trainings.....	0.9%
Providing written reports	2.2%
Public relations	1.2%
Cooperation in strategy-making.....	0.4%
Avoiding conflicts.....	0.5%
Cooperation with other NGOs	0.5%
Material incentives.....	0.2%

70. IS THERE ANYTHING RELATED TO THE TOPICS OF THIS QUESTIONNAIRE YOU WOULD LIKE TO ADD?

No response.....	85.3%
The questionnaire is suitable for a big organization	0.7%
Legislation to be improved	1.5%
Better interaction with institutions.....	1.4%
NPLEs in public benefit do not have regulated relations with the budget.....	0.7%
NPLEs in public benefit do not have regulated relations with the EU funds.....	0.2%

The state and the municipality do not apply the People's Community Centers Act.....	0.2%
The state does not support NGOs financially.....	1.9%
NGOs should provide social services.....	0.2%
The profile of NGOs to be raised.....	0.5%
To have cross-references to previous questions in the questionnaire.....	0.2%
It is not mentioned that NGOs are a watchdog of the authorities.....	0.7%
The survey is not targeted at business organizations.....	0.2%
Obtaining feedback.....	0.2%
To have information on NGOs with similar activity.....	1.2%
To ensure the accountability of NGOs.....	0.5%
To have a TV channel with information on NGOs.....	0.2%
To set up a team between staff and the governing bodies.....	0.2%
To pass a separate law on elderly people.....	0.2%
Local authorities do not work for a genuine integration of Roma.....	0.2%
To have legislative opportunities for providing healthcare services.....	0.2%
To have questions on the membership principle.....	0.2%
To regulate the relations between the tourist associations, the Ministry of Education and Science and the State Agency for Youth and Sport.....	0.2%
To have environmental control exercised.....	0.5%
Project evaluators should not come from state institutions.....	0.2%
The survey is not suitable for organizations of legal persons.....	0.2%
Many of the areas of activity in the questionnaire are overlapping.....	0.2%
There should be a question on NGOs successes.....	0.2%
There should be lobbying in support of NGOs working nationwide.....	0.2%
Some areas regarding small NGOs are not covered by the questionnaire.....	0.2%
The survey should be more simplified.....	0.2%
Concessions for donors.....	0.2%
To promote the advantages of martial arts.....	0.2%
71. ARE YOU FAMILIAR WITH THE CONCEPT FOR CHANGES IN THE LEGISLATION FOR NON-PROFIT LEGAL ENTITIES IN BULGARIA AND IF YES, DO YOU SUPPORT IT?	
No response.....	4.7%
Yes, I am familiar with it and I support it.....	54.4%
Yes, I am familiar with it but I do not support it.....	5.5%
No, I am not familiar with it.....	35.4%
TYPE OF SETTLEMENT	
The Capital.....	23.7%
Regional city.....	69.8%
Other town.....	6.0%
Village.....	0.5%

ANALYSIS OF THE BASIC LEGAL REQUIREMENTS FOR GOOD GOVERNANCE OF NGOs IN BULGARIA^{†††}

Summary

INTRODUCTION

The summary of the basic legal requirements for good governance of NGOs in Bulgaria is prepared by experts of the Bulgarian Center for-Not-for-Profit Law according to the main legal act regulating the structure and the activities of the Bulgarian NGOs – the Non-Profit Legal Entities Act (NPLEA).

The aim is to present and explain the basic legal requirements regarding the function of the non-governmental organizations in Bulgaria according to the acting legislation and to review the most essential aspects of the governance of these organizations linked to their structure, bodies and internal regulations.

I. Types of NGOs, bodies and decision-making process

The two main types of NGOs, according to the NPLEA are the associations and the foundations. **The association** is a corporate organization which must always have a General Assembly (GA) and a Managing Board (Manager). The NPLEA divides the two bodies functionally and regulates that the General Assembly is the supreme body and the Managing Board is the governing body. The law sets forth in detail the powers of the association's GA however the Statutes may further stipulate additional powers. By default, the General Assembly consists of all members of the association. The law makes a significant delimitation of the powers of the GA in non-transferable and transferable. While the latter can be delegated to other bodies of the association upon a decision of the GA, the non-transferable can only be executed by the General Assembly and they characterize it as the supreme body of the association. Thus, the legislator has explicitly forbidden the delegation of these rights to other bodies with an imperative regulation. They include the rights to amend and supplement the main act – the Statutes, to elect and dismiss members of the governing body, to make decisions for transformation or dissolution of the organization among others. With a view to the transferable rights, to delegate some of them, the association's GA makes an explicit decision which requires relevant amendment to the Statutes.

The Managing Board (MB) is the body which manages the activity of the association according to the decisions of the GA. The Board consists of members of the organization except when there are legal entities members of the association, which may nominate non-members of the organization to sit on the MB. The law allows the functions of the Managing Board to be performed by a single person – Manager. The law also governs the minimum number of members in the Managing Board – 3 persons. Among the key powers of the MB are its representative and management powers such as organizing the activity of the association, preparing performance reports and draft budgets, etc.

The foundation is the second type of non-profit legal entity according to the Bulgarian legislation. In comparison to the association, the foundation has no corporate nature, which reflects in its structure. There is no legal limitation in terms of the number of bodies and board members in the foundation. However, the foundation should have at least one governing body which may be one-man or collective. When more than a single body is envisaged, the law stipulates that the rules for the General Assembly and the Managing Board of associations

^{†††} This analysis was prepared by Nadya Shabani and Tony Dimov – legal consultants in the Bulgarian Center for Not-for-Profit Law

shall apply to the bodies of the foundation. This means that one of the bodies in the foundation must be a supreme body and the other – a managing one.

Due to the characteristic features of the foundation, a special legal opportunity which does not exist with associations is envisaged here – the reserved rights of founder(s). When a foundation is incorporated, its founders may reserve for themselves or for third parties designated by them some of the powers to ensure further observance of their will. Most common rights that are reserved in practice include: veto on the amendments to the Articles of Incorporation, decision for termination or transformation of the organization, and in some cases –selection of the board members of the foundation.

Besides the mandatory bodies of the two types of non-profit legal entities, additional alternative bodies may be established. With regard to their names and functions, there are no legal restrictions whatsoever. Most frequently these bodies have representative, controlling, honorary, advisory, and other functions. These bodies are regulated in some of the organizational acts which may be either the Statutes or other internal regulations. The important rule which should be observed here is that each individual body should have its own competence on certain issues in order overlap of functions of different bodies to be avoided.

With regard to the public benefit NGOs, the LNPLE sets forth the requirement that **public benefit organizations must always have a two-body structure** where the supreme one should be collective, and the governing one may be either collective or a one-man body. In fact this requirement refers only to foundations as with associations it is observed by default.

The decisions of the supreme body are obligatory for the rest of the bodies and this rule is an expression of its supremacy. The internal control on the decisions of the other bodies and the opportunity for revoking them is explicitly set forth in law. When a decision contradicts with the law, the Statutes, or a previous decision of the supreme body – this decision may be put to the appeal before the GA upon the initiative of interested association members or by one of its bodies. These legal provisions are applied to the foundation bodies as well. The NGO Law also provides the possibility for control on the regulations of association and foundation bodies in court. The regulations that contradict with the law, the Statutes or a previous decision of the General Assembly may be reviewed by court. Any member or body of an NGO or the prosecutor can start such proceedings. If a contradiction is found, the court revokes the appealed decision.

II. Rights, obligations and liability of the members of NGO bodies

The issue of the rights, obligations and liabilities of members of NGO bodies is directly linked to the issue of the internal relationships that may arise in an NGO. In general, board members have the following groups of rights: property rights, non-property rights and organizational rights. Some of the most important rights are: the right to participate in the organization's management, the right to receive information about its activities and to benefit from their results - pursuant to the procedure set forth in the Statutes, the right of control over the decisions of the bodies, the right to use the organization's property, etc. Among the obligations deserving attention are the obligation to participate in the organizational activities, to pay membership fees and other property contributions and the obligation for personal behavior that is compatible with the organization's activity.

Concerning foundations, it is irrelevant to talk about rights and obligations of the members since these NGOs do not have members. Nevertheless, some relationships emerge between individual members of foundation's bodies and the legal entity itself. With regard to those rights and obligations, there is no explicit regulation in legislation but they may be freely detailed in the Articles of Incorporation. In practice members of foundation bodies are obliged

to perform their activity in good faith and in compliance with the law and the Articles of Incorporation.

As for the liability of the members of NGO bodies, it may be viewed from different angles – in terms of relationships that are internal or external to the NGO or from the point of view of the various types of legal liability – administrative, civil, criminal and disciplinary.

In the external relations of NGOs with other legal subjects – third parties, body members are not directly liable for damages caused by them to the third parties in their capacity of members. The opposite is valid in the internal relationships and the members of NGO bodies are personally liable to the NGOs for the damages they have caused to the organization.

With regard to the separate types of liability caused by people in their capacity of body members, they are defined in the relevant legislative acts. For instance the Tax Insurance Procedure Code sets forth an administrative-criminal liability for members of governing bodies of a legal entity who have concealed facts and circumstances that they are obliged by law to disclose to the tax administration and as a result, indisputable fiscal obligations and mandatory insurance payments have not been made.

In cases when a member of a body culpably does not perform his or her duties and as direct result the NGO incurs damages, s/he would bear civil liability under the general rules of the Obligations and Contracts Act. The Penal Code contains many cases in which members of NGO bodies could bear criminal liability. For instance persons who set up NGOs or seemingly perform the activity announced upon registration in order to obtain credits, tax exemption, tax relief or other property benefits under its cover, and to perform a banned activity are subject to a criminal punishment. Criminal liability is also stipulated for persons who, by using a document of false contents or an inauthentic or forged document, illegally obtain property or funds belonging to the European Union or such granted by the EU to the Bulgarian state. Members of NGO bodies would bear disciplinary liability in cases when they are in an employment relation with the organization-employer, under the regulations of the Labor Code.

III. Legal acts of the NGOs

NGOs are established, build their structure and function in correspondence with the rules of the law and their internal regulation acts. These acts may be divided into basic and supplementary according to their contents, and into mandatory and facultative according to whether they are legally regulated or not.

The basic regulations are those that are mandatory because the law stipulates their adoption and contents. Some supplementary NGO regulations, such as the Rules for preventing money laundry and funding of terrorism are also mandatory, because the requirement for passing them is stipulated in a special law. As for the facultative ones - NGOs are not legally obliged to adopt them.

The basic NGO acts are the Statutes (in associations) and the Articles of Incorporation (in foundations). A main condition for the legitimacy of these acts is the observation of the necessary legal contents. The completeness of the Statutes is obligatory for establishing an association since the necessary contents of the Statutes is one of the circumstances which are entered in the court registry, and an association comes into being as a legal entity from the moment of its registration in court.

The Articles of Incorporation of the foundation are a unilateral legal act under the form of a donation or bequest through which property is granted for achieving non-profit purposes. Specific for this act is the legal possibility for its further validation if the founder determines only the purposes and the granted property. The rest of the elements might be added later by a person authorized by the founder; by the person executing the bequest or the inheritor, when the founder has died; by another person who would benefit from the foundation's activity or by

court. Another peculiarity is the requirement for foundations set up with donation, to have the signature of the founder under the Articles of Incorporation certified by a notary.

The Articles of Incorporation consist of two main parts – provisions related to property issues and an organizational part. The Articles of Incorporation may regulate the reserved rights of each founder, if s/he wishes to have any, which is something unique for foundations.

In practice, and for the sake of clarity, two separate documents are created and when combined, constitute the constitution of the foundation. The first document is the initial deed of donation, which regulates only the act of transfer of property for the establishment of a foundation having certain legal individualization – name, seat, address, bodies and composition of bodies. It also contains an expressed will for the adoption of the second document, which is the governing document – similar in terms of content to the Statutes of associations.

Among the supplementary internal acts of NGOs, significant are those with mandatory character due to the legal requirement for their adoption. Some of the key acts from this type are the Rules and Procedure for Pursuing Public Benefit Activities, the Rules for Preventing Money Laundry and Funding of Terrorism, the Internal Employment Regulations and the Rules for Healthy and Safety Conditions at Work. Organizational acts which are supplementary but not obligatory for NGOs are for example the Internal Regulations, the Ethical Code, the Financial Rules, the Internal Regulations of the Management Board and others. The adoption of such additional internal regulatory acts, which are not mandatory by law, depends fully on the autonomous will of each non-profit legal entity. They are not legally regulated and their contents may vary provided their provisions do not contradict with the main organizational acts of the organization, the law or the moral norms.

IV. Rules for preventing conflicts of interest under the Non-Profit Legal Entities Act

There are two main groups of rules for avoiding conflicts of interest. The first group includes regulations concerning avoiding conflict of interest in property relations, while the second group – non-material relations. Especially important are the guarantees for preventing conflict of interest in the public benefit NGOs due to the specific way in which the property of these NGOs is formed and above all from the fact that by definition these NGOs may have at their disposal public property resources generated from tax concessions and other legal preferences which require sufficient guarantees that they would not be spent in private interest, i.e. to benefit certain insiders or others persons related to the organization. In this aspect, the NGO law defines the circle of related persons with which there is conflict of interest for transfers of property. Entering contracts with such persons is basically forbidden unless the transactions are to the obvious benefit of the NGO or if they have been concluded under general public conditions. The law does not provide a definition of these two terms. It may be said that the organization has an obvious benefit a contract has been concluded under conditions more favorable than those on the free market. Under general public conditions are the transactions concluded with banks and insurance companies, public tenders or public procurement procedures.

The first group of rules for avoiding conflict of interest in property relations also includes the norms banning the transfer of property of public benefit NGOs to certain persons during liquidation as well as the norms stating how to deal with NGO property which remains after creditors have been satisfied.

With regard to the second group of rules for avoiding conflict of interests, linked to the non-material relations, the law contains some norms that prevent such conflicts during voting in the General Assembly of associations. According to the law, a member of the GA of an association is not allowed to vote on issues concerning: him/herself, his/her spouse or relative

on the ascending line, on the collateral line or by marriage (with specific restrictions for each) and legal entities where he/she is a manager or can impose or hinder making of decisions.

V. Requirements for transparency and accountability of NGOs

All NGOs are subject to several post-court registrations: in BULSTAT, in the Central Registry at the Ministry of Justice – for those in public benefit, in the Financial Intelligence Agency and registration under the Personal Data Protection Act.

The legal entities determined for pursuing public benefit activities acquire this status after being entered in the Central Register under the Ministry of Justice established pursuant to the NGO law. The aim of the Central Register is to ensure transparency and public control on the raising and spending of funds by public benefit NGOs.

“The registration” in the Financial Intelligence Agency (FIA) means adoption of Internal rules for the control and prevention of money laundry and funding of terrorism by the relevant governing body of the organization and approved by the Director of FIA.

According to the Personal Data Protection Act, NGO-administrators of personal data must register in advance in the Commission for Protection of Personal Data.

VI. Control on the financial activity of NGOs

According to the current Bulgarian legislation the Auditors’ Office has some powers related to exercising financial control on the activity of certain entities spending public funds. The Implementing Regulations of the Auditors’ Office Act explicitly provide that the revenues and expenses of non-profit legal entities and funds established with budgetary resources or guaranteed by the state are subject to control by the Auditors’ Office.

According to the Public Internal Financial Control Act (PIFCA), subjects of internal financial control are the legal persons funded by the national and municipal budgets, as well as by the European Union and the contractors of public procurements.

CONCLUSION

The Bulgarian non-governmental organizations work in a legal environment which sets forth some basic rules related to the formal aspects of their establishment, structure and operation. This legal framework, however, leaves it to the discretion of the NGOs to select how to structure their management, what rules and responsibilities to set for their bodies and how to organize their activity. All of these issues relate to the quality of NGO governance. The development of mechanisms for good governance of non-profit organizations is not a topic relevant only for a specific organization, but rather concerns the future development of the non-governmental sector in general. The good governance of NGOs means greater efficiency, effectiveness, transparency and accountability which not only contributes to their sustainability but also improves their public image. Good governance means a higher level of professionalism of the organization itself and more trust in it from society.