

STEP 5 deciding how to give

Companies may make their contributions in one or more of the following ways:

1. Direct contributions

The company directly makes the contribution to a government or private institution or sets up a fund to be administered by a non-profit or nongovernmental partner institution. The contribution may be *unrestricted*, to be used for any purpose determined by the donee; or it may be *restricted*, to be used by the donee solely for the specific purpose or program identified by the donor company. The donor company may, for instance, require the donee to use the donation specifically for employee welfare, environmental protection, livelihood programs, the purchase of real estate, or other such purposes.

2. Company Foundation

The company creates a foundation that it then supports in any number of ways. For instance, it can give a substantial endowment at the outset, or piecemeal over a period of years. Or, it can set aside a percentage of net income for the foundation's yearly project and operating costs. It can also support the foundation with contributions in the form of facilities and equipment, but require the foundation to raise its own project funds.

The foundation is a legal entity separate from the company with its own by-laws and governance structure.

3. Government Trust Funds

The company donates to government-created trust funds established for highly specialized areas of public concern. Examples include the Air Quality Management Fund and the Ancestral Domain Fund.

4. Membership in a Coalition or Business Organization

The company joins a social venture or a civic or business organization, such as the Philippine Business for Social Progress, which manages and administers the pooled annual committed

contributions of member companies for programs and projects jointly identified by the organization and member companies.