Religious bodies ‘have duty to their members’

Calls for guidelines on use of funds for mixed purposes

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RELIGIOUS organisations are no different from any other non-profit group in that they answer to their stakeholders. They have a duty to make their governance blameless and be transparent about what they do, said leaders in the community and charity sector.

MP Seah Kian Peng, chair of the Community Development, Youth and Sports Government Parliamentary Committee (GPC), said religious organisations were, first and foremost, accountable to their members.

“Good governance principles must be in place to ensure all the stakeholders’ interests are taken care of,” he said.

At the sidelines of an event on Tuesday, MP Denise Phua, who is on the same GPC, noted that the charity sector had an even higher duty than a commercial concern. She said: “All of us who are serving in the non-profit charity sector are working in a fishbowl. We are even more accountable to the public.”

Extensive guidelines for the sector have been written in recent years and social service veteran Gerard Lee said there is no need for more rules.

Churches fall under the Code of Governance for Charities and Institutions of a Public Character, which was launched in 2007. Though compliance is voluntary, charities must give an account to the Charity Council if they fail to comply with any part of the code.

Mr Lee, the National Kidney Foundation chairman, said charities in particular must provide a “full and timely disclosure on the use of money including how it is being invested”.

“Donors have a right to know and can then decide whether they should be contributing even more donations,” he said.

The National Council of Churches of Singapore agreed internal controls should be in place for all organisations. It suggested tightening procedures to ensure everyone abides by the code of governance. One sticking point for religious groups that other charities may not face is how to keep donations from members for religious purposes separate from funds from a commercial arm.

Law academic Eugene Tan from Singapore Management University noted there has been an emergence of religious groups with both commercial interests and commercial arms looking to raise funds from outside of its congregation.

Keeping funds separate “is not just good corporate governance but also prudent management to avoid complications of religious funds being used for commercial purposes and vice-versa”, he said.

He added that the regulators could step in with guidelines for instances where funds are used for mixed purpose to prevent abuse and conflicts of interest. But ultimately, Prof Tan said, it is up to members to demand self-regulation, accountability, checks and balances, and transparency.

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