



## RESEARCH ARTICLE

## Basic Principles of Philanthropic Sector Governance

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ARTICLE INFO	ABSTRACT
Received: Jan 18, 2026	Charity is considered one of the most important economic and social sectors in the country. It plays a fundamental role, along with the public and private sectors, in achieving sustainable development and social change. It also plays a direct role in alleviating the suffering of many members of society from the poor class who need basic necessities such as clothing, housing, food, and medicine. It works to improve living conditions during hardships and crises, leading to a cohesive and united society that strengthens one another. Governance of the charitable sector is considered one of the most important factors in its success and continuity, as it works to create an effective oversight system based on accountability, transparency, good management, and inclusiveness. This increases performance efficiency and ensures the achievement of objectives and desired goals.
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### 1. INTRODUCTION

Charity is a term that refers to the group of activities and assistance provided by individuals or non-profit organizations with the aim of achieving good and positive change in communities and improving the lives of others. Charity is characterized by its targeting of specific groups of people who are experiencing difficult circumstances or who need assistance to meet their basic needs.

Charity can be defined as the work in which a group of people participate to achieve a public good, for humanitarian, religious, scientific, industrial, or economic purposes, by collecting donations and spending them on various charitable works, or by investing funds and spending them on charitable works without any intention of making a profit (Dr. Mahdi, p. 212).

A non-profit organization is a legal and accounting entity that seeks to achieve benefit for society as a whole, not for an individual owner or a group of partners or shareholders. Therefore, we find that the concept of net income is not meaningful or significant for non-profit organizations. However, non-profit organizations may seek to generate revenues that fully cover their expenses (Dr. Saud Al-Amri, p. 29).

Non-profit organizations represent legal or social entities established for the purpose of producing goods and services. Their legal status does not permit them to be a source of income, profit, or other forms of financial gain for the entities they establish, supervise, or fund. Non-profit organizations constitute an important sector in contemporary countries, and may take the form of colleges and universities, charitable foundations and organizations, and professional associations (Dr. Saud Al-Amri, p. 29).

### 2. LITERATURE REVIEW

The Philanthropic sector represents the third pillar of sustainable development, alongside the government and private sectors. Developed countries have long paid attention to this sector, with its contribution to the Gross Domestic Product (GDP) averaging approximately 6%. With the development of this sector's tools, it can be leveraged to support the government and private sectors in the areas of health, education, and basic economic infrastructure. Its role is not limited to assisting the poor, the needy, and those in need (Faisal Al-Fadel, p. 1).

Charitable work in Islam is manifested in its care for the individual, the family, and society. It seeks to improve living conditions during times of hardship and crisis, leading to a cohesive, interdependent society that feels responsible and contributes to the development of the Earth and achieves a balance between interests and relationships while preserving the constants of the true religion (Dr. Mahdi, p. 211).

The Holy Qur'an contains many directives, incentives, and good tidings for directing human energies, abilities, and potential toward charitable work. The Noble Prophetic Sunnah elaborates on what the Qur'an summarizes in this regard. Jurists and commentators throughout Islamic history have explained to people many of these incentives, directives, and good tidings that lay the foundation for charitable work. This includes praising charitable work, such as spending in times of ease and hardship, as God has promised those who spend their money in the way of God Paradise, as He, the Highest, says: "And hasten to forgiveness from your Lord and a Paradise as wide as the heavens and earth, prepared for the righteous (133) who spend during ease and hardship and who restrain anger and pardon the people - and God loves the doers of good (134)" (Al Imran). God has also made zakat obligatory and made it one of the pillars of Islam, which is charity at its minimum. He has encouraged people to give and offer charity without favor or harm, secretly and publicly, to fill the deficit and need of the needy, and to establish facilities and service establishments that provide their services to the needy and the poor, linking this to great reward and recompense in this world and the hereafter, as God Almighty said: "Those who spend their wealth by night and by day, secretly and publicly, will have their reward with their Lord. And no fear will there be concerning them, nor will they grieve" (274) (Al-Baqarah). God Almighty has also opened many doors to goodness, such as expiations that involve spending money and food and freeing slaves. Among these is the expiation for an oath, in which ten poor people are fed from the average food of the people of the country. He has also made charity from money permissible. Surplus wealth, not exceeding one-third, is allocated to help those in need. Endowments are encouraged, as stated in the hadith of the Prophet (peace and blessings be upon him): "When a son of Adam dies, his deeds cease except for three: ongoing charity, beneficial knowledge, or a righteous child who prays for him." All of this underscores the importance of charitable work, which brings the rich and the poor closer together and strengthens family and community ties (Dr. Mahdi, 214).

Charity can include a variety of activities and services, such as providing food and shelter to the homeless, healthcare to the poor and sick, education and educational opportunities for poor children, support for orphans and the elderly, donating money or material goods to the needy, providing aid in natural disasters and humanitarian crises, and many other activities aimed at improving lives and helping achieve sustainable development.

Charity is an important part of social responsibility, as individuals and communities play a role in improving their environment and supporting those suffering from poverty and need. Charity contributes to reducing the social and economic factors that lead to marginalization and inequality and promotes social justice. and social solidarity.

Non-profit organizations and non-governmental organizations are among the most important entities engaged in charitable work. They work to raise funds, organize charitable campaigns and events, and direct resources and aid to people in need. Charitable Organizations also seek to raise awareness and educate about issues of poverty and need, and encourage communities to contribute and participate in charitable work.

Technology and social media are also effective tools for promoting charitable work. Individuals and organizations can use the internet and social media platforms to raise funds through crowdfunding campaigns, communicate and raise awareness about charitable causes, and disseminate information about charitable activities and initiatives.

It is important to note that charitable work is not limited to financial assistance only; it also extends to contributing time and skills. Individuals can participate in charitable work by volunteering with non-profit organizations, providing practical assistance in charitable events and projects, and sharing their skills, such as teaching, training, and mentoring.

Charitable work has many benefits. For beneficiaries, it provides them with the support and assistance needed to improve their quality of life and meet their basic needs. For participants in

charitable work, it enhances a sense of satisfaction. It provides personal fulfillment, gives them the opportunity to develop social and leadership skills, and contributes to building strong and beneficial networks with others involved in charitable work. Charitable work also enhances civic spirit and a sense of belonging to the community, reflecting the values of justice, solidarity, and giving.

Another important aspect of charitable work is the need to direct aid to areas and communities that particularly need it. There may be specific population groups or areas particularly affected by poverty, natural disasters, or conflict, and efforts and resources must be directed toward them to achieve the greatest benefit.

Furthermore, philanthropy can be part of sustainable development strategies. When resources and efforts are directed toward meeting people's basic needs and enhancing their capabilities, a strong foundation is built for long-term sustainable development.

In short, philanthropy is a concept that reflects giving and human solidarity, or the efforts of individuals and organizations to improve lives and provide support to people in need and affected communities. Through philanthropy, social balance and justice are achieved, and a better, more humane future is built for all.

When it comes to philanthropy, there are several concepts and principles to consider. One of these is accountability and transparency. Charities and non-profit organizations must be able to provide regular and transparent reports on the use of resources and their allocation to charitable projects and activities. Follow-up and review must be conducted to ensure that aid and resources effectively reach those who deserve them and achieve their stated objectives.

In addition, the needs of beneficiaries must be met effectively and appropriately. Philanthropy should be guided by ongoing research and assessments to understand the current and future needs of target communities. Assistance must be provided in accordance with the principles of dignity and respect, taking into account cultural, social, and economic diversity.

Furthermore, philanthropy can be most effective when it works to strengthen local capacities. Philanthropy should encourage the development of communities and empower them to achieve self-change and sustainability. This can be achieved by developing local skills and capacities, encouraging community engagement, and building partnerships with local and governmental institutions.

Philanthropy is an essential part of civil society's role in improving social and environmental life. Civil society is the non-governmental sector comprised of individuals, non-profit organizations, associations, and civil society institutions that operate outside the traditional structure of government and business.

### **3. METHODOLOGY**

#### **3.1 Research Design**

The approach is primarily qualitative descriptive-analytical, aiming to synthesize classical jurisprudence, Qur'anic and Sunnah-based guidance, and contemporary research to clarify the concepts of charity, governance, Charitable Sector, and their implications on civil society.

Given the conceptual nature of the research, this study does not rely on primary financial data but instead it focuses on the interpretation of textual and scholarly sources. This methodology allows for a detailed examination of the ethical, legal, and economic dimensions of governance of charitable sectors.

#### **3.2 Data Sources**

The study draws on multiple sources to ensure comprehensive coverage:

- Primary sources: Qur'an and Sunnah, emphasizing verses and prophetic traditions related to charity, governance, and Charitable Sector.
- Contemporary scholarly research: Articles, books, and reports on governance, and charity sector.

## 4. DISCUSSION

The relationship between philanthropy and civil society is strengthened through several aspects:

1. **Community Engagement:** Philanthropy enhances community engagement by raising people's awareness of social and humanitarian issues and encouraging them to contribute and participate in philanthropic efforts. It fosters communication and collaboration between non-profit organizations and individuals to achieve common goals.
2. **Social Impact and Change:** Philanthropy and civil society work to create positive impact and bring about change in communities. Philanthropy can improve the living conditions of vulnerable and disadvantaged groups and promote social justice.
3. **Monitoring and Accountability:** Civil society plays a vital role in monitoring and reviewing philanthropy. Nonprofit organizations and individuals within civil society can demand transparency and accountability from philanthropic institutions in the efficient and equitable use and allocation of philanthropic resources.
4. **Collaboration and Partnership:** Philanthropy and civil society are sources of fruitful collaboration and partnership. Nonprofit organizations, associations, and civil society organizations can collaborate with each other, with government institutions, and with the private sector to achieve common goals. Partnerships involve sharing knowledge, expertise, and resources and enhancing the impact of philanthropy in society.
5. **Advocating for Social Issues:** Philanthropy and civil society provide a voice for society in advocating for social issues and human rights. Philanthropy uses the public sphere and available channels to highlight the problems and challenges facing communities and work to bring about necessary change.
6. **Innovation and Impact:** Philanthropy and civil society encourage innovation and the use of creative solutions to address social and environmental challenges. It encourages the development of new models of charitable work and the adoption of innovative initiatives to achieve sustainable impact.

In short, philanthropy and civil society work together to bring about social and humanitarian change, foster awareness and participation, improve lives and meet people's basic needs, and amplify their voices and advocate for just causes and ethical principles in society.

### 4.1 Philanthropic Governance definition

The word "Governance" (Hawqama) does not appear in ancient Arabic dictionaries. It is derived from "hukm" (rule) and "ihtikam" (governance), meaning the traditions and institutions that determine how power is exercised in each country. It includes the process of selecting, holding governments accountable, monitoring, and changing them; the ability of governments to manage their resources efficiently; the development, implementation, and enforcement of sound policies and rules; and the respect of citizens and the state for the institutions that govern economic and political interactions between them. (Dictionary of Meanings, entry "hukm").

As for the origin of the term "Governance," firstly it appeared in the 1970s, when the U.S. Securities and Exchange Commission (SEC) addressed the issue of corporate governance and made it a top priority. The term "Corporate Governance" first appeared in 1976 in the U.S. Federal Register, the official newspaper of the federal government (Abdullah Al-Zubaidi, p. 11).

Governance, by definition, is the set of rules, laws, standards, and procedures by which organizations and establishments are managed and effectively monitored, regulating relationships among employees and helping them determine their direction and maximize their performance (Dr. Nabil Al-Aoun, p. 4).

Wikipedia states that the use of the term "governance" in its current, broader sense encompasses the activities of a broader group of public and private institutions. It became widely used in the early 1990s after being reformulated by economists and political scientists and disseminated more widely by major institutions such as the United Nations, the International Monetary Fund, and the World

Bank. Since then, the term has gained wider resonance and popularity in scientific journals, publications, and reports (Wikipedia, Origin of the word "governance").

Governance has also been defined as a set of laws, regulations, and decisions aimed at achieving quality and excellence in performance by testing appropriate and effective methods for achieving the company's plans and objectives (Dr. Faihaa and Dr. Eman, p. 7).

The Organization for Economic Co-operation and Development (OECD) defines it as: "The system an organization uses to oversee and control its operations. It also represents the system through which rights and responsibilities are distributed among the various parties within the organization, including the board of directors, managers, shareholders, and other stakeholders. It also sets out the rules and procedures for making decisions related to the organization" (Dr. Amjad Muhammad, p. 10).

The International Finance Corporation (IFC) defines it as: "The system and structure through which companies are managed, controlled, and the relationships among all stakeholders are monitored" (Dr. Amjad Mohamed, p. 11).

Some define it as the set of "rules of the game" used to manage a company internally, and for the board of directors to oversee it to protect the financial interests and rights of shareholders. (Mohamed Youssef, p. 4).

The concept of Philanthropic Sector Governance refers to the structures and mechanisms that manage and administer charitable activities and contribute to ensuring the efficient, transparent, and responsible use of resources. Philanthropic Sector Governance aims to enhance accountability, transparency, and the social and financial accountability of Charitable Organizations and institutions.

Governance is a system of oversight over institutions that defines responsibilities, rights, and relationships, and clarifies the procedures and rules necessary for sound decision-making. It is a system that promotes justice, transparency, and accountability, and enhances trust and credibility in the work environment. It also calls for balancing strategic and operational responsibilities in an organized and thoughtful manner that ensures proper functioning of institutions (Dr. Nabil Al-Aoun, p. 4).

From these general definitions of governance, a set of basic principles can be derived that govern and control governance processes in charitable work, including the following:

1. **Accountability:** This refers to the existence of accountability mechanisms that ensure Charitable Organizations are accountable for their actions and use of resources. This includes providing regular and transparent financial reports and internal and external auditing and review procedures. The board of directors is empowered to act on behalf of shareholders. Therefore, they should be fully accountable for the powers granted to them and the authority they exercise. The board is responsible for overseeing the management of the business and company affairs, appointing the CEO, and monitoring the company's performance. In doing so, it is essential to act in the best interests of the company. Accountability goes hand in hand with responsibility. The board of directors must be accountable to shareholders the way the company has discharged its responsibilities. (Ali Atef, p. 3)

2. **Transparency and Fairness:** This refers to the fact that Charitable Organizations must be transparent in their activities and use of resources. This includes providing detailed and clear information about the organization's structures, objectives, activities, and the fairness of resource allocation. Transparency refers to the openness and willingness of the company to provide clear information to shareholders and other stakeholders. For example, transparency refers to openness and willingness to disclose financial performance figures that are truthful and accurate. Disclosure of material matters related to an organization's performance and activities must be timely and accurate to ensure that all investors have realistic and clear information that accurately reflects the organization's financial, social, and environmental position. Organizations must clarify and communicate the roles and responsibilities of the board of directors and executive management to provide shareholders with a level of accountability. Transparency ensures that stakeholders can trust the company's decision-making and management processes. (Ali Atef, p. 2)

3. **Good Leadership:** Philanthropic Sector Governance requires effective leadership committed to ethical principles and social responsibility. Philanthropic organizations should adopt strong governance structures, and those responsible must be competent and transparent in decision-making and resource management.

4. **Participation and Inclusivity:** Philanthropic Sector Governance requires encouraging the active participation of all stakeholders, including beneficiaries and local communities. Decisions should be based on consultation and dialogue. Charitable Organizations must be open to participation and communication with all segments of society, regardless of gender, age, race, culture, or social class. Good governance should ensure that the views and needs of target groups are heard and included in the decision-making and planning processes for charitable programs. Furthermore, good governance enhances the social accountability of charitable organizations, focusing on meeting the needs and aspirations of beneficiaries and target communities. Beneficiaries must be involved in decision-making related to charitable programs and projects, and mechanisms must be in place to collect their feedback and assess their satisfaction and the impact of activities on their lives. Philanthropic Sector Governance also aims to achieve financial and administrative sustainability for charitable organizations. These organizations must have the ability to secure financial resources sustainably and effectively and develop robust administrative policies and procedures to ensure long-term sustainability. Overall, Philanthropic Sector Governance is an ethical and institutional foundation aimed at ensuring that Charitable Organizations operate effectively, transparently, and effectively, achieving their goals of serving society and achieving positive change.

5. **Impact Assessment:** Charitable Organizations must assess the social, economic, and environmental impact of their activities and programs. This includes measuring results and impact, evaluating the effectiveness of programs and measures, and guiding continuous improvement and learning.

6. **Promoting Diversity and Equality:** Successful Philanthropic Governance promotes diversity and equality in governance structures and decision-making. Charitable Organizations should strive to promote balanced gender representation, multiculturalism, and positive differentiation to ensure the presence and engagement of diverse stakeholders.

7. **Ethics and Moral Standards:** Charitable Organizations must uphold high ethical standards in all aspects of their work. They should embrace ethical values and principles in their dealings with beneficiaries, partners, and donors, and maintain transparency in financial and commercial relationships.

8. **Continuous Learning and Improvement:** Philanthropic Governance should be based on a spirit of continuous learning and improvement. Charitable Organizations should ensure their ability to adapt to environmental and social challenges and changes and develop the capabilities and knowledge necessary to improve the effectiveness and efficiency of their work.

By implementing the concept of philanthropic Governance, charities can achieve trust and recognition from the public and various stakeholders. Strong Philanthropic Governance is an important factor in building trust, ensuring transparency, accountability, sustainability, and positive impact.

#### **4.2 Governance Objectives**

Hence, the objectives of governance can be summarized as follows:

To implement governance in charitable work in a way that ensures positive results, it must be based on three elements:

- A clear strategy.
- A documented system.
- An appropriate institutional culture (Dr. Nabil Al-Aoun, p. 5).

Since Charitable Organizations often rely on public funding and donations, Philanthropic Governance plays a crucial role in attracting support and financial resources. Donors and partners

feel confident and comfortable when they see that financial resources are being managed effectively and in accordance with ethical standards.

Furthermore, Philanthropic Governance enhances the effectiveness and impact of charitable programs and projects. Through impact assessment, monitoring, and evaluation, Charitable Organizations can identify areas of strength and weakness, reinforce positive outcomes, and improve processes and measures that are not achieving the desired impact.

In general, it can be said that Philanthropic Sector Governance enhances transparency, accountability, effectiveness, and trust in charitable organizations. Building these essential components ensures that Charitable Organizations operate efficiently and achieve the desired positive impact in the communities they serve.

### **4.3 Charity Governance Standards**

The Charity Governance Standards represent a framework that defines the basic principles and standards that Charitable Organizations must adhere to in managing their operations and making decisions. There are several internationally recognized standards, the most prominent of which are:

1. **Transparency Standard:** Requires Charitable Organizations to publish clear and transparent information about their structures, objectives, activities, and funding sources. This includes publishing financial and annual reports, organizational policies, and decision-making mechanisms.
2. **Accountability Standard:** Requires Charitable Organizations to be accountable for their actions and the use of resources. This includes establishing mechanisms for internal oversight, external audit, and balanced decision-making.
3. **Participation Standard:** Charitable Organizations must encourage the effective participation of all stakeholders, including beneficiaries and local communities. The views and needs of stakeholders must be included in decision-making and program implementation.
4. **Ethics Standard:** Requires Charitable Organizations to adhere to high ethical values and standards in all aspects of their work. This includes integrity, transparency, respect, justice, equality, and anti-corruption.
5. **Strategic Guidance Standard:** Requires Charitable Organizations to develop clear strategies and action plans that contribute to achieving their charitable objectives and having a positive impact on the communities they serve.
6. **Social Contribution Standard:** Charitable Organizations must be positive agents in the communities in which they operate. This includes promoting sustainable community development, supporting education, health, the environment, culture, and sports, and contributing to solving social and economic problems.
7. **Effective Governance Standard:** Requires Charitable Organizations to have effective and professional governance structures. This includes defining the roles and responsibilities of board members and management team members, developing reliable administrative policies and procedures, and appointing and evaluating qualified leaders.
8. **Sustainable Funding Standard:** Charitable Organizations must secure sustainable and diversified funding sources. This includes managing financial resources prudently, diversifying funding sources (such as donations, grants, and partnerships), and developing long-term funding strategies.
9. **Legal Compliance Standard:** Charitable Organizations must comply with the laws and regulations in force in the countries in which they operate. This includes compliance with tax, financial, and labor laws, and protecting the rights of individuals and society.
10. **Standard for Oversight and Control:** Charitable Organizations are required to have effective internal control and financial monitoring mechanisms. This includes performance evaluation, monitoring results, ensuring compliance, and addressing violations and complaints.

These standards constitute a comprehensive framework for effective charitable governance. Charitable Organizations must follow and apply these standards in all aspects of their work to maximize transparency, accountability, and sustainability.

In addition to the standards mentioned above, there may also be additional standards that vary from one organization to another, depending on the nature of the charitable work and the field of activity. These additional standards may include requirements specific to the charitable sector in which the organization operates, such as ethical standards for animal welfare or the preservation of cultural heritage.

In general, Philanthropic Governance standards aim to promote trust, transparency, accountability, and sustainability in the charitable sector. These standards help build trust with stakeholders and enhance the effectiveness and positive impact of Charitable Organizations in the communities they serve. They also lay a solid foundation for professional management and continuous improvement in charitable work.

#### **4.4 Governance Stakeholders**

There are four main stakeholders that influence and are influenced by the proper application of the concept of governance, determining its success or failure in organizations. These stakeholders are important, as they are the ones who perform the tasks that help the organization achieve production. Without them, no organization can achieve its established strategies. These stakeholders are (Ali and Shahata, p. 13):

1. Shareholders: They provide capital through their ownership of shares in the organization, in exchange for profits from their investments and maximizing the organization's long-term value. They have the right to select appropriate board members to protect their rights.
2. The Board of Directors: They represent shareholders and stakeholders. The board selects the executive directors to whom they delegate management authority, in addition to overseeing their performance and monitoring their proper management in serving the public interest. They also formulate general policies and how to protect shareholders' rights.
3. Management: They are responsible for the actual management of the organization and submitting performance reports to the board of directors. They are also responsible for maximizing profits and increasing their value, in addition to their responsibility for disclosure and transparency of the information disseminated to shareholders.
4. Stakeholders: These are a group of parties with interests in the organization, such as regular suppliers, workers, employees, customers, and non-regular suppliers. It should be noted that these parties have interests that may sometimes conflict and differ. Creditors are concerned with the organization's ability to repay, while employees are concerned with the organization's ability to pay their wages.

#### **4.5 Governance Determinants**

There is agreement that good governance is governed by two types of factors: external and internal.

##### **A- External Determinants**

They refer to the general investment climate in the country, which includes, for example, laws and regulations in the financial and administrative fields. This varies from one country to another. It also includes factors affecting the efficiency of production, distribution, competition, and oversight bodies in the financial, accounting, and legal fields.

##### **B- Internal Determinants**

They refer to the rules and principles that determine how decisions are made and the distribution of authority within the organization between the general assembly, the board of directors, and executive directors. Their availability reduces conflicts between the interests of these three parties. (Muhammad Yusuf, p. 6)

#### **What Distinguishes Charitable Sector Governance from Other Sectors?**

Philanthropic Sector Governance differs from corporate governance in the private sector in several aspects, due to the unique nature of this sector, both in terms of objectives and outcomes. Below, we highlight some of the fundamental aspects that distinguish charitable work from other activities in the private and public sectors:

1. In terms of objectives: In private companies, the primary objective is to generate profit and enhance the financial interests of shareholders. In charitable organizations, the primary objective is to achieve public welfare and provide assistance and support to the needy in society.
2. In terms of ownership: Ownership in private companies is usually held by shareholders and rights holders. In charitable organizations, there are usually no shareholders, but there is a board of trustees or an administrative body responsible for making administrative and operational decisions.
3. In terms of transparency: There are legal and financial requirements for the disclosure of financial information and periodic reports to shareholders and other stakeholders. In charities, although they may be required to submit certain financial and legal reports, they often rely on funding from non-governmental sources and do not require the same level of public reporting.
4. Regarding oversight and community involvement: Shareholders typically participate in making important decisions and selecting board members. In charities, there is a board or governing body charged with making decisions and overseeing the operation and implementation of charitable objectives. This board may consist of independent members with experience in the charitable field or social issues. Unlike in private companies, oversight may sometimes be linked to the appointment of close relatives to decision-makers within the company and may be based on experience and qualifications. However, this is not of utmost importance, especially in family-owned and private companies.
5. Regarding funding and financial resources, private companies rely on funding from shareholders, investments, bank loans, and other commercial sources. In charities, foundations rely on funding from donations, charitable grants, partnerships with other institutions and the government, and private investments aimed at improving the operational level, readiness, and sustainability of charitable organizations.
6. In terms of performance monitoring, a private company's performance is evaluated based on financial indicators and commercial performance. In charitable organizations, performance evaluation focuses on achieving social and humanitarian goals and the impact of charitable work on society.

It should be noted that these differences are not strict rules, and the governance of Charitable Organizations may vary according to local legislation, organizational structures, and the size of the organization itself. There may be overlaps and similarities between governance.

In any case, there are differences in the standards used in Philanthropic Sector Governance compared to corporate governance in the private sector. This is due to the different objectives and non-profit nature of charitable organizations. The following are some common differences in standards:

1. Financial Standards: In private companies, financial standards focus on financial performance, ensuring financial sustainability, and maximizing shareholder value. In charitable organizations, financial standards focus on examining costs and the effectiveness of resource use to achieve charitable goals.
2. Social Standards: In charitable governance, social standards are applied to evaluate the impact of charitable work on society and the extent to which social and humanitarian goals are achieved. Social impact is analyzed and measured using indicators such as the number of beneficiaries, changes in living conditions, and impact on the local community.
3. Ethical Standards: In charitable governance, ethical standards are given great importance. Standards of integrity, transparency, accountability, and the protection of the rights of beneficiaries and other stakeholders are applied. The public interest and society must be addressed in an ethical and responsible manner.
4. Environmental Standards: In charitable work, the focus is on environmental standards regarding the impact of activities on the environment and environmental sustainability. These standards may include initiatives that enhance the charity's ability to fulfill its social responsibility and make a positive contribution to environmental protection and preservation.
5. Regulatory and Legal Standards: Charities are subject to regulatory and legal standards specific to the charitable sector. These standards relate to the organization and practices of Charitable

Organizations with regard to governance, transparency, accountability, and beneficiary rights. For example, regulatory standards may require the submission of detailed annual reports on the organization's activities, expenditures, and results.

6. Beneficiary Standards: Charities set standards to ensure that the needs and interests of beneficiaries are met. Services and programs are delivered in a manner that promotes the dignity and rights of beneficiaries and achieves positive change in their lives.

Despite these differences and variations in their activities and standards, it should be noted that there are overlaps and similarities between Philanthropic Sector Governance and corporate governance in some aspects. For example, some corporate governance principles may be adopted by Charitable Organizations to promote transparency and accountability and achieve optimal results in achieving charitable objectives.

## 5. CONCLUSION

Philanthropy plays a significant role in improving the quality of life in civil society and represents the third pillar alongside the public and private sectors in achieving sustainable development. Collaboration between philanthropy and the public and private sectors leads to several benefits, including:

- Enhancing effectiveness: By combining resources, expertise, and capabilities, partnerships can enhance the effectiveness of charitable projects. For example, the government can provide the necessary infrastructure and regulation, while philanthropy can deliver specific services and programs.
- Achieving sustainability: Through joint partnerships, the long-term sustainability of charitable projects can be achieved. The public sector can provide the necessary funding and supportive legislation, while the private sector can provide the required material and technical resources.

It is also crucial to apply governance tools, standards, and objectives to achieve the best results, given the significant role governance plays in enhancing transparency and improving oversight tools. Furthermore, Philanthropic Sector Governance differs from corporate and institutional governance in several aspects, due to the unique nature of this sector in terms of objectives, outcomes, ownership, transparency, and community participation.

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