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إقرار

أنا الموقع أدناه مقدم الرسالة التي تحمل العنوان:

**Effect of Laws and Regulations Compliance on Charities Work in the
Gaza Strip**

أثر درجة الامتثال بالقوانين و الأنظمة على عمل الجمعيات الخيرية بقطاع غزة

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Master Degree of Business Administration

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نتيجة الحكم على أطروحة ماجستير

بناءً على موافقة شئون البحث العلمي والدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحث/ محمود عمر ابراهيم لبد لنيل درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال وموضوعها:

أثر درجة الامتثال بالأنظمة والقوانين على عمل المؤسسات الخيرية بقطاع غزة Effect of Laws and Regulations Compliance Level on Charities Work in the Gaza Strip

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وبعد المداولة أوصت اللجنة بمنح الباحث درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال.

واللجنة إذ تمنحه هذه الدرجة فإنها توصيه بتقوى الله ولزوم طاعته وأن يسخر علمه في خدمة دينه ووطنه.

والله ولي التوفيق ،،،

مساعد نائب الرئيس للبحث العلمي و للدراسات العليا

.....
أ.د. فؤاد علي العاجز



بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

”وَقُلْ اَعْمَلُوا فَسَيَرَى اللَّهُ عَمَلَكُمْ وَرَسُولُهُ

وَالْمُؤْمِنُونَ“

صدق الله العظيم

سورة التوبة 105

Dedication

To my appreciated parents and wife

To my beloved little baby; Nabil

To our great organization; Palestinians Relief & Development Fund (Interpal)UK

To our distinguished university; Islamic University of Gaza

To our big home; Palestine

I dedicate this effort

The researcher

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Abstract

This study focuses on the effect of the major laws and regulations influencing charities work (charities law, financial regulations, labor law, value added tax regulations and Customs law, and income tax law) on the main aspects of charities work (charities governance and activities, accounting and financial procedures, HR management processes, and fundraising) in the Gaza Strip. In other words, to which extent can work of charities in the Gaza Strip be influenced by Palestinian charity-laws and regulations?. The researcher used the descriptive analytical approach. To obtain the primary data, quantitative main tool (questionnaires filled by charities in Gaza Strip) and qualitative secondary tool (interviews with key informants) have been used. The study population was the largest 100 active biggest charities, in term of their expenditures during the year 2012, whose total expenditures for each of them in 2012 exceeded US\$ 230,000. The main data collection tool (questionnaires filled by charities in Gaza Strip) has been designed and then amended in line of 13 qualified referees' notes. The necessary steps were conducted regarding the pilot study, validity and reliability. Then, the respondents were 83 of the 100 questionnaires distributed on the study sample. SPSS was used for analyzing the data. Generally, the weight mean equal 69%. That means charity-related laws and regulations affects significantly on aspects of charities work. It is noticed that the effect is ranked descending as follows: accounting and financial procedures (75.09%), fundraising (69.25%), charities governance and activities (66.73%), HR management processes (66.10%). The effect on accounting and financial procedures was the highest because of the legal enforcement of annual financial reporting to Ministry of Interior (MOI), MOI's annual auditing and its consequences, and the interest by charities in accounting and financial procedures due to importance in term of sustaining trust and relationships with donors. Fundraising was the second since the worth of fundraising as it is the footing of any organization. It is noticed that there is statistically significant differences refer to the one personality trait (scientific qualification) and two organizational attributes (charity type and number of employees). As this research highlights on the effect of the Palestinian charity-related laws and regulations on the aspects of the charities work, a group of recommendations were mainly addressed to the makers of laws and regulations (Palestinian Legislative Council and government) to develop the legal environment of charities aspects.

ملخص

تركز هذه الدراسة على أثر القوانين و الأنظمة الرئيسية المؤثرة على عمل الجمعيات الخيرية (قانون الجمعيات الخيرية و الهيئات الأهلية، النظام المالي الموحد، قانون العمل، لوائح ضريبة القيمة المضافة و قانون الجمارك، و قانون ضريبة الدخل) على الأبعاد الرئيسية لعمل المؤسسات الخيرية (حوكمة و أنشطة الجمعيات، الإجراءات المحاسبية و المالية، عمليات إدارة الموارد البشرية، و جلب التمويل) في قطاع غزة، و بتعبير آخر: إلى أي مدى يتأثر عمل الجمعيات الخيرية بقطاع غزة بالقوانين و الأنظمة الفلسطينية ذات العلاقة. استخدم الباحث الأسلوب الوصفي التحليلي، و للحصول على معلومات أولية تم استخدام أداة كمية رئيسية متمثلة في الاستبانة التي عبثها ممثلو جمعيات خيرية في قطاع غزة، و كذلك أداة وصفية مساندة متمثلة بمقابلات مع مختصين و خبراء في مجالات الدراسة، استهدف هذا البحث مجتمع دراسة متمثل في أكبر 100 جمعية فاعلة من حيث حجم المصروفات السنوية لعام 2012م و التي تجاوزت المصروفات السنوية كل منها عن العام المذكور مبلغ 230 ألف دولار أمريكي، تم تصميم الأداة الكمية الرئيسية (الاستبانة التي عبثها ممثلو جمعيات خيرية في قطاع غزة) و تعديلها بعد تحكيمها من قبل 13 من الأكاديميين و المختصين و الخبراء، و بعد إجراء الدراسة الاستطلاعية و التحقق من ثبات و صدق الاستبانة، تم توزيع 100 استبانة على عينة الدراسة و استرداد 83 منها، و من ثم استخدام برنامج SPSS في عملية تحليل البيانات. و بشكل عام فقد أوضحت النتائج أن المتوسط الموزون العام يساوي 69% و هذا يعني أن القوانين و الأنظمة ذات العلاقة بعمل الجمعيات الخيرية تؤثر بشكل دال إحصائياً على أبعاد عمل الجمعيات الخيرية، و قد كان ترتيب نتائج المتوسط الموزون حول التأثير على كل مجال كالتالي: الإجراءات المحاسبية و المالية (75.09%)، جلب التمويل (69.25%)، حوكمة و أنشطة الجمعيات (66.73%)، عمليات إدارة الموارد البشرية (66.10%)، من الواضح بأن أكبر تأثير يخص الإجراءات المحاسبية و المالية نظراً لأسباب عدة أهمها الإلزام القانوني لتزويد وزارة الداخلية بالتقارير المالية السنوية، والتدقيق السنوي الذي تقوم به وزارة الداخلية و ما يترتب عليه، بالإضافة إلى اهتمام الجمعيات الخيرية بالإجراءات المحاسبية و المالية لما لها من أهمية لتعزيز الثقة و العلاقات مع الجهات المانحة، أما التأثير على جلب التمويل فقد حظي بالترتيب الثاني لما لها الجانب من أهمية حيث يعتبر أساساً لأي مؤسسة، كما و أوضحت النتائج وجود فروق دالة إحصائياً بين المبحوثين تعزى إلى سمة شخصية واحدة (المؤهل العلمي) و كذلك الحال بالنسبة لسنتين تنظيميتين (نوع الجمعية، عدد الموظفين). و حيث أن هذه الدراسة تركز على أثر القوانين و الأنظمة الفلسطينية الرئيسية المتعلقة بعمل الجمعيات الخيرية على أبعاد عملها، فقد تم التوصل لجملة من التوصيات الموجهة بشكل رئيسي إلى مشرعي القوانين و الأنظمة (و بالأخص المجلس التشريعي الفلسطيني و الحكومة) من أجل تطوير البيئة القانونية الناعمة لعمل الجمعيات الخيرية.

List of Abbreviations

BARS	Behaviorally anchored rating scales
CfW	Cash-for-Work
CMWU	Coastal Municipalities Water Utility
CSO's	Civil Society Organizations
CSR	Corporate Social Responsibility
GAAP	Generally Accepted Accounting Principles
HR	Human Resources
KSA	Kingdom of Saudi Arabia
MBO's	Mutual Benefit Organizations
MOH	Ministry of Health
MOHE	Ministry of Higher Education
MOSA	Ministry of Social Affairs
NGO's	Non-Governmental Organizations
PA	Palestinian Authority
PBO's	Public Benefit Organizations
PNA	Palestinian National Authority
PR	Public Relations
PSID	Panel Study of Income Dynamics
SoFA	Statement of financial activities
SORP	Statement of Recommended Practice
SPSS	Statistical Package for the Social Sciences
UK	United Kingdom
USA	United States of America
VAT	Value-Added Tax

Chapter 1

Research

Framework

Chapter (1): Research Framework

1.1 Introduction

Civil Society efforts, including charities or charitable associations, appeared in different forms for ancient times and developed with human continuous progress to be important third sector besides public and profitable sectors nowadays.

In Palestine, the modern civil society seemed during the Ottoman age with issuing of Ottoman Charities Law in 1909 which allow the civil work by noticing the authorities, not registration nor licensing. After the First World War and Palestine occupation in 1917 and announcing the British mandate in 1922, Palestinian civil society advanced from its simple charitable role to advocacy efforts for refugees and victims. But this role retrograded during the period from 1948 to 1967 when Jordan governed West Bank and Egypt governed Gaza Strip. As a step of supporting Palestinian people under Israeli occupation during 1970s and 1980s, active Palestinian NGO's appeared with the growth of Palestinian Liberation Organization in addition to active Islamic Palestinian NGO's.¹

After the political developments during the first Intifada age 1987 – 1993, a dramatic growth in term of charities numbers and specializations occurred after the coming of Palestinian authority in 1994 after signing peace agreement, however some argument appeared within NGO's environment until issuing Charitable Association Law number 1 for the year 2000. After that, during the second Intifada age in 2000, the Palestinian charities have played a significant role in term of health, relief, and advocacy. This role became more essential in Gaza Strip after the Palestinian elections in 2005, when the international fund agencies stopped supporting the 10th Palestinian government (formed by Hamas movement), especially with bad situations of siege, division, and two major crisis in 2008/2009 and 2012.²

Due to the importance and growth of the third sector (non-profitable organizations) besides public and profitable sectors, laws and regulations became essential to govern charity work environment. They affect the efficiency and effectiveness of charity work. Up to date, the effect of such laws and regulations (on

1 Abu Saif, A. (2005), "Civil Society and State: Authentic Study with Referral to the Palestinian Reality", Dar Al-Shuroq for Publishing, Ramallah.

² Ibid.

charities work) has not been deeply studied yet in the Palestinian territories. After searching IUG library and navigating the internet, the researcher has not found research for the same topic. This study focuses on the effect of the major laws and regulations influencing charities work (charities law, financial regulations, labor law, value added tax regulations and Customs law, and income tax law) on the main aspects of charities work (charities governance and activities, accounting and financial procedures, HR management processes, and fundraising) in the Gaza Strip. In other words, to which extent can work of charities in the Gaza Strip be influenced by Palestinian charity-laws and regulations?

In 2014, Ministry of Interior – Charities Department’s statistics mentioned 899 charities registered in the Gaza Strip (North 131, Gaza 511, Middle 89, Khanyunes 97, and Rafah 71) which are working in different fields such as social, health, educational, culture, youth, and agriculture. 824 of them are local and the other 75 are branches of foreign charities.³

1.2 Research Problem

Although the regulations are important to govern charity work environment, they may affect positively or negatively on the efficiency and effectiveness of charity work. Up to date, such matter has not been deeply studied yet. The most important related regulations are charities law, financial regulations, labor law, value added tax regulations, income tax law, and counter terrorism measures.

This study focuses on the effect of the major laws and regulations (mentioned above) on the main aspects of charities work (charities governance and activities, accounting and financial procedures, HR management processes, and fundraising) in the Gaza Strip.

The question of this research can be summarized as follows:

To what extent can work of charities in the Gaza Strip be influenced by Palestinian laws and regulations?

³ Ministry of Interior – Charities Department, 2014.

1.3 Research Objectives

1. Determine the effect points of the Palestinian laws and regulations influencing charities work.
2. Evaluate the effect of Palestinian laws and regulations on charity work operational environment.
3. Give recommendations for improving charity work governance environment.

1.4 Importance

Laws and regulations applied are considered as principal factors by which governments can influence the operational environment for charities. The most important related regulations are charities law, financial regulations, labor law, value added tax regulations and customs law, and income tax law.

Up to date, the effect of such laws and regulations (on charities work) has not been deeply studied yet in the Palestinian territories. After searching IUG library and navigating the internet, the researcher has not found research for the same topic.

This study is expected to be worthwhile for different stakeholders such as Palestinian charities, donors, local authorities, audit and consultancy firms, beneficiaries or who represent them, legislators, lawmakers, and decision makers, in addition to related researchers. This research is aimed to be useful and helpful for the following stakeholders:

Firstly, Palestinian charities which need to recognize the effects of legal practices related to aid/ services/ advocacy effectiveness, beneficiaries selection, administrative reporting, purchasing and contracting procedures, financial accounting and reporting, HR recruitment, HR performance appraisal, HR compensation, fundraising, and partnership levels.

Secondly, donors that have relationships with Palestinian charities who are keen to understand the legal environment, for example, to realize, analyze, and develop the cooperation's MOUs and partnership / funding agreements in addition to projects / programmes' consideration, implementation and documentation.

Thirdly, the local authorities that need to recognize the issues mentioned previously and hence ensure the best monitoring, auditing, and relationships with charities.

Fourthly, audit and consultancy firms can highly utilize the legal requirements in their roles as independent parties to conduct sufficient auditing, checking, and advisory accomplishment.

Fifthly, as beneficiaries of charities or who represent them (e.g. syndicates and associations) need to learn about their rights and also to learn about others' legal principles, they can also be related stakeholders.

Sixthly, legislators, lawmakers, and decision makers maybe interested in this study to develop the existed laws and regulations in order to maximize the positive effects and minimize the negative ones.

Seventh, local community which can get feedback about some lessons learned from this study regarding some aspects and factors which can lead to a stronger civil society and hence better community participation in positive change and development.

Finally, academic and researchers can obtain helpful information from such research which focuses on the Palestinian experience in charity-related laws and regulations' effect on charities work.

1.5 Research Variables

Variables in this research will be as follows:

➤ **Dependent variables:**

- Aspects of charities work (concerning charities governance and activities, accounting and Financial procedures, HR management processes, and fundraising).

➤ **Independent variable:**

- **The effect of charity-related laws and regulations, as follows:**
 - The effect of charity-related laws and regulations on Charities governance and activities.
 - The effect of charity-related laws and regulations on Accounting and Financial procedures.
 - The effect of charity-related laws and regulations on HR management processes.
 - The effect of charity-related laws and regulations on Fundraising.

1.6 Research Hypothesis

- ✚ There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (*in term of Charities governance and activities, Accounting and Financial procedures, HR management processes, and Fundraising*) on aspects of charities work.

And this main hypothesis is divided into four sub-hypothesis as follows:

- There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (*in term of Charities governance and activities*) on aspects of charities work.
- There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (*in term of Accounting and Financial procedures*) on aspects of charities work.
- There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (*in term of HR management processes*) on aspects of charities work.
- There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (*in term of Fundraising*) on aspects of charities work.

- ✚ There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work attribute to the personality traits.

- ✚ There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work attribute to the organizational attributes.

1.7 Limitations

- Charities work is influenced by most of existing laws and regulations directly or indirectly so it is difficult to consider all of them. Accordingly, the study focused on laws and regulations which have major effects: charities law, financial regulations, labor law, value added tax regulations and customs law, and income tax law.

- Charities work includes various operational aspects and activities which cannot be studied deeply in a same time. So, the researcher congregated them in four mainstreams: charities governance and activities, accounting and financial procedures, HR management processes, and fundraising.
- This research was applied on the Gaza Strip charities, registered in Charities Department – Ministry of Interior, working during the year 2013. Communication and accessibility obstacles prevent applying it on the West Bank charities.
- This research mainly depends on the respondents' points of views regarding compliance with charity-related laws and regulations. The compliance can be measured more accurately by auditing, reviewing documents, and observation.

Chapter 2

Literature Review

Chapter (2): Literature Review

2.1 Introduction

This chapter aims to draw theoretical framework features of this research. It contains four main parts: conceptual framework, related essential information, research variables details, and previous studies.

The first part of this chapter (section 2.2), the conceptual framework of this research, illustrates in figure 2.1 the main idea and variables of the study.

The second part of this chapter (sections 2.3, 2.4, and 2.5) contains related essential information such as Palestinian legislations, charities concept, charities as a part of civil society, charities as a kind of organizations, charities' agenda & community role, and Palestinian charities in the Gaza Strip.

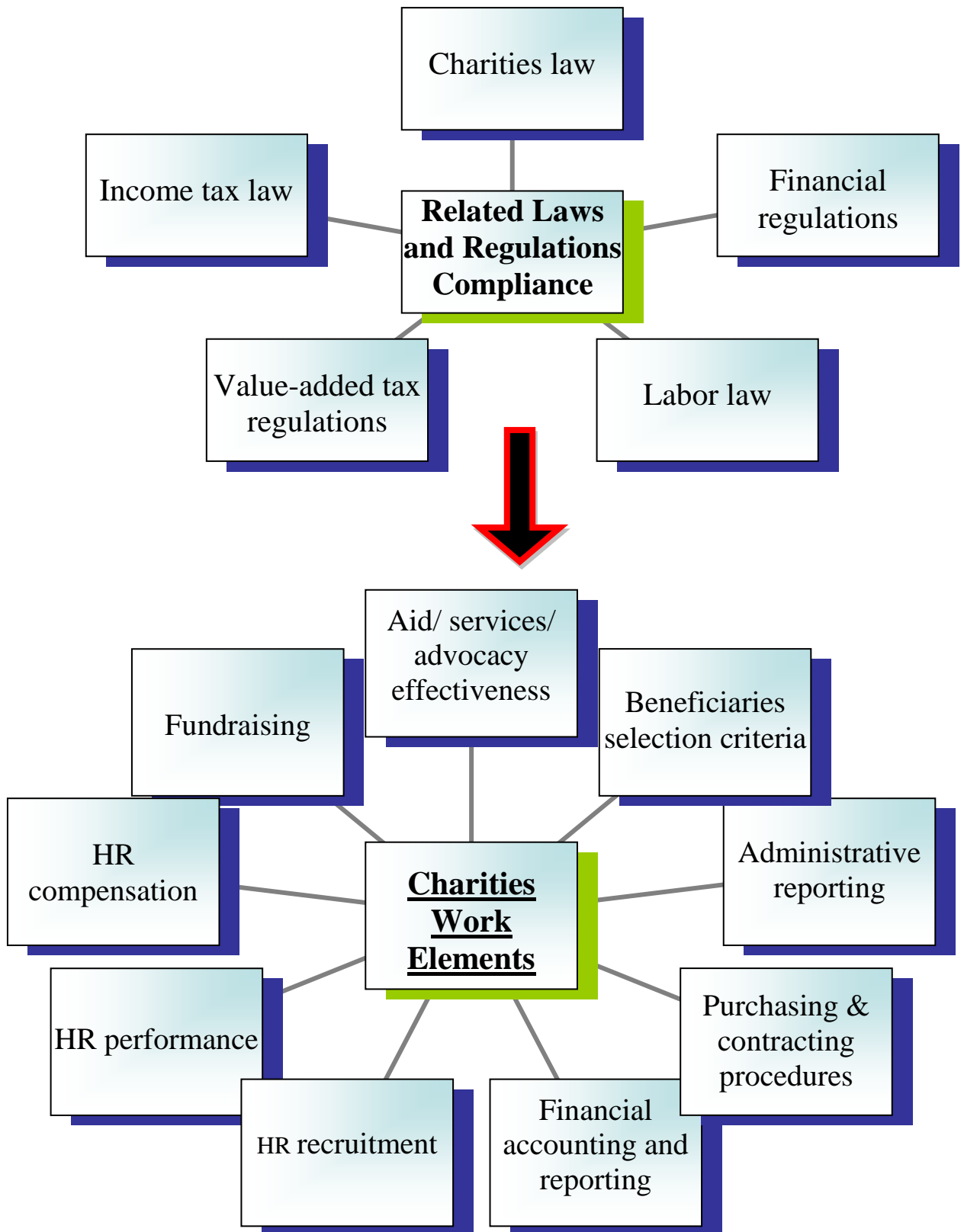
The third part of this chapter (section 2.6 and 2.7) presents details on research variables: both independent and dependent ones. Independent variables are laws and regulations influencing charities work: charities law, financial regulations, labor law, value-added tax regulations and customs law, and income tax law. Independent variables, for this research, are charities work elements: fundraising, beneficiaries selection criteria, aid/ services/ advocacy effectiveness, purchasing and contracting procedures, financial accounting& reporting& auditing, administrative reporting, HR recruitment, HR performance appraisal, and HR compensation.

The fourth part of this chapter (section 2.8) is a review of related previous studies: Arabic and Foreign studies.

2.2 Conceptual Framework

This research aims to study the effects of laws and regulations on charities work in the Gaza Strip. The conceptual framework of this study can be illustrated in figure 2.1. This study focuses on the effect of the major laws and regulations influencing charities work (charities law, financial regulations, labor law, value added tax regulations and customs law, and income tax law) on the main aspects of charities work (charities governance and activities, accounting and financial procedures, HR management processes, and fundraising) in the Gaza Strip. In other words, to which extent can work of charities in the Gaza Strip be influenced by Palestinian charity-laws and regulations?

Figure (2.1): Conceptual framework diagram



Source: designed by the researcher after reviewing different references

2.3 Palestinian Legislations

In the Palestinian territories, there are different legislations developed by the Palestinian National Authority: fundamental legislations and subsidiary legislations.

“Fundamental legislations can be classified into three legislations as follows:

1. Organic Law (Constitution):

They are legal principles that determine the state governance. The constitution define state structure, authorities’ conformation and responsibilities, governmental functions and relationships, ..etc. The constitution is considered the highest legislative tool. It is approved by the Palestinian Legislative Council (parliament) and issued by the Palestinian National Authority’s President.

2. Law:

They are legal principles that organize behaviors and relationships among individual, groups, and organizations in the community. The constitution is considered the highest legislative tool. It is prepared by the specialized authority, approved by the Palestinian Legislative Council (parliament), and issued by the Palestinian National Authority’s President.

3. Decree Law /Law by Decree:

It is a decision, has the same act of law, issued in case of necessity, emergency, or crisis by the Palestinian National Authority’s President but it needs to be presented to the Palestinian Legislative Council (parliament) later to justify or extend it”.⁴

“Subsidiary legislations can be classified into four legislations as follows:

1. Executive / Governing Regulations:

They are detailed clarifications set to participate in organizing behaviors and relationships among individual, groups, and organizations in the community. Regulations can be one of the following:

- Executive regulations: issued by the executive authority (Ministries Council).
They depend on a law and contain the necessary executive details and

⁴ Advisory and Legislation Bureau, Legislations,

http://www.dft.gov.ps/index.php?option=com_content&task=view&id=11 , electronically accessed, 31st

December 2013

explanations of the law (mentioned above in fundamental legislations) without freezing, canceling nor amending any article of any law.

- Governing regulations: issued by the executive authorities (Ministries Council). They do not depend on a certain law as details of it, but they are independent regulations to organize running of public affairs, interests and relationships.

2. Police and Control Regulations:

They are issued by the executive authorities (ministries). They do not depend on a certain law as details of it, but they are independent regulations to ensure security, peacefulness, and public health in the community.

3. Ministerial decisions:

They are decisions or rules issued by a minister for executing or explaining of the laws without freezing, canceling nor amending any article of any law.

4. Directions (Commands):

They are decisions or rules issued by specialized levels lower than the minister to determine administrative procedures or technical issues necessary to execute articles of law.

The major laws and regulations, influencing charities work, focuses on by this research can be classified into two legal forms:

- Laws: charities law, labor law, customs law, and income tax law.
- Regulations: financial regulations and value-added tax regulations".⁵

⁵ Advisory and Legislation Bureau, Legislations, http://www.dft.gov.ps/index.php?option=com_content&task=view&id=11 , electronically accessed, 31st December 2013

2.4 Charities

2.4.1 Charities as a part of Civil Society

Before navigating deeper in charities as a focal form of civil society organizations, it is essential to define the civil society.

The civil society is a community whose individuals deal with each other respectfully, kindly, and represented by set of good institutions and organizations (formal and informal) such as charities, unions, syndicates, clubs, non-profit companies, mosques, churches, ..etc. Others can defined the civil society as that contains a lot of voluntary entities to provide free services and aid to needy, affected, and marginalized groups. The Islamic vision to civil society concept may be more comprehensive as it also includes all kinds of cooperation and mutual utility, for the sake of God (Allah), which enhance spread of moralities and positive behaviors in the human nature.⁶

Civil society organizations are formal forms of civil society away of public sector's dominancy (administrative and financial) that play considerable roles to achieve people needs and interests through social symbiosis and positive values depending on transparency, accountability, integrity, partnership, and participation. These principles promoted Civil Society Organizations (CSO's) to be called (The Fifth Authority).⁷

2.4.2 Charities as a kind of Organizations

“In general, organizations can be classified as follows:

- **Governmental organizations:**

Institutions work under the public sector administratively and financially. In Palestinian Territories, governmental organizations examples are ministries (such as Ministry of Social Affairs – MOSA, Ministry of Higher Education – MOHE, Ministry of Health – MOH), authorities (such as Environment Quality Authority, Palestinian Water Authority), councils (such as General Personnel Council), etc.

- **Semi- governmental organizations:**

6 Abu Saif, A. (2005), “Civil Society and State: Authentic Study with Referral to the Palestinian Reality”, Dar Al-Shuroq for Publishing, Ramallah.

7 Ibid.

Institutions working with partially independent on the public sector (administratively and/or financially). Palestinian semi- governmental organizations examples are local governance units (municipalities), Coastal Municipalities Water Utility (CMWU), ... etc.

- **Profitable organizations:**

Private sector institutions whose profits refer to their owners / shareholders like trade companies, legal/ engineering/ audit/ administrative services firms, ..etc.

- **Civil Society Organizations (CSO's)."**⁸

"According to the legal form of their registration, Palestinian Civil Society Organizations (CSO's) can be found into different forms, for example:

- Charities (or charitable associations): licensed in Charities Department at Ministry of Interior.
- Clubs: licensed in Ministry of Youth and Sport.
- Non-profitable companies: licensed in Ministry of Economy.
- Cooperation associations: licensed in Ministry of Labor.
- Media organizations: licensed in Ministry of Information / the Palestinian Information Office."⁹

Although charities' registration mentioned above is the formal fundamental license, charities are obligated to obtain the necessary license/ approvals from the specialized governmental departments to implement certain projects. For example: license from Palestinian Water Authority to dig a well or establish desalination water plant, license from Ministry of Health to implement clinic or hospital, license from Ministry of Education to open a school, license from Ministry of Social Affairs to open kindergarten.

Charities, as a part of civil society, provide their aid and services to different targeted groups like children, women, elders, youth, students, orphans, widows, ill, disabled, and other needy persons and social categories. Aid and services, provided within charities' activities/ projects/ programmes, varied to be in different fields such as

⁸ Lubbad, M. (2011), Lectures in Civil Society Organizations and Development, Community Development Institute, Islamic University of Gaza.

⁹ Ibid.

health, education, relief, , sport, social, environment, culture, human rights, economical, and development.

As charities, especially in the Palestinian Territories, are considered a chief part of the civil society organizations, they characterized by set of philosophies that empower them to play their requested roles such as complying laws and regulations, volunteerism, closeness to people, pluralism, positive values, independence, elbowroom, flexibility, ...etc.

“According to the geographical propagation of their operations, charities can be found into two forms:

- Local charities:

They are charities that are working in a country and their headquarters located in the same country. In the Gaza Strip, local charities’ examples like Gaza Programme for Mental Health, Public Aid Society, Alwedad Association for Community Rehabilitation, National Association for Disabled Rehabilitation, Mercy Association for Children, Alwafa Charitable Association, Red Crescent Association, Islamic Association – Gaza, Christian Youth Association, and Alfalah Charitable Society.

- International (foreign) charities:

They are charities that are working in a country and their headquarters located in another country. In the Gaza Strip, there are a lot of branches of foreign charities like Medical Aid for Palestinians (MAP) - UK, Qatar Charity – Qatar, Norwegian People Aid (NPA) Norway, Human Appeal – UAE, Islamic Relief Worldwide – UK, Catholic Relief Services – USA, Palestinian Relief and Development Fund (Interpal) – UK, World Assembly for Muslim Youth (WAMY) – KSA, Handicap International – France, Aman Palestine – Malaysia, and Muslim Hands – UK.

It is worth to mention that the international (foreign) charities’ branches have different work natures: Some of them are working as a donor representative only to supervise and monitor the funded projects which are implemented by local partners. Another group of them are working as implementing bodies which can be described as

executive rather than representative branches. Some of the branches may combine between the two work natures.”¹⁰

There are two forms of organizations are not classified as charities although they are doing charitable projects/ programmes. These two forms are as follows:

- United Nations organizations (or UN bodies):

They are international specialized bodies related to the United Nations such as United Nations Relief and Work Agency (UNRWA), United Nations Developmental Programme (UNDP), World Health Organization (WHO), World Food Programme (WFP), United Nations Education & Science & Culture Organization (UNESCO), Food & Agriculture Organization (FAO) , ... etc.

- International Funding Agencies:

They are international agencies related to the developed countries (not Civil Society Organizations CSO's) by which such states coordinate and provide funds to the developing countries. For example: United States Agency of International Aid (USAID), Japanese International Cooperation Agency (JICA), Canadian International Development Agency (CIDA), Sweden International Development Agency (SIDA), Turkish International Cooperation & Development Agency (TIKA), Department for International Development (DFID), German Development Agency (KFW), German Agency for technical Cooperation (GTZ), ... etc.

2.4.3 Charities' Agenda and Community Role

Despite the miscellaneous activities and means conducted by a charity, there are one or more main agenda for each charity. These agenda can be mainstreamed as follows:

- Religious agenda:

Religions and faiths encourage doing good and this lead people to establish charities as a legal framework to provide humanitarian aid and services to needy and affected persons with toning the current requirements. The Islamic history, especially during age of Guided Caliphs, testified establishing charitable organization called Baitul-Mall (in Arabic) to organize collecting and distributing Zatat, Sadaqa, and other donations.

¹⁰ Lubbad, M. (2011), Lectures in Civil Society Organizations and Development, Community Development Institute, Islamic University of Gaza.

Nowadays, religious organizations appeared and developed as they called in some European countries “Faith-Based Organizations” like Islamic Relief World Wide, Muslim Aid – UK, Catholic Relief Services-USA, Christian Aid – UK.

- Humanitarian / social agenda:

It is launched from keening on social symbiosis, saving humanitarian dignity, providing moral and in-kind support to needy, poor, disabled, orphans, elders, ill,etc.

- Political agenda:

Political parties is a part of any civil society in every country. Despite political parties are not considered of the Civil Society Organizations (CSO’s), some of parties adopted some charities as means to support needy in their communities and raising awareness towards the community updates which can appear as a social capital for these parties.

- Economical / professional agenda:

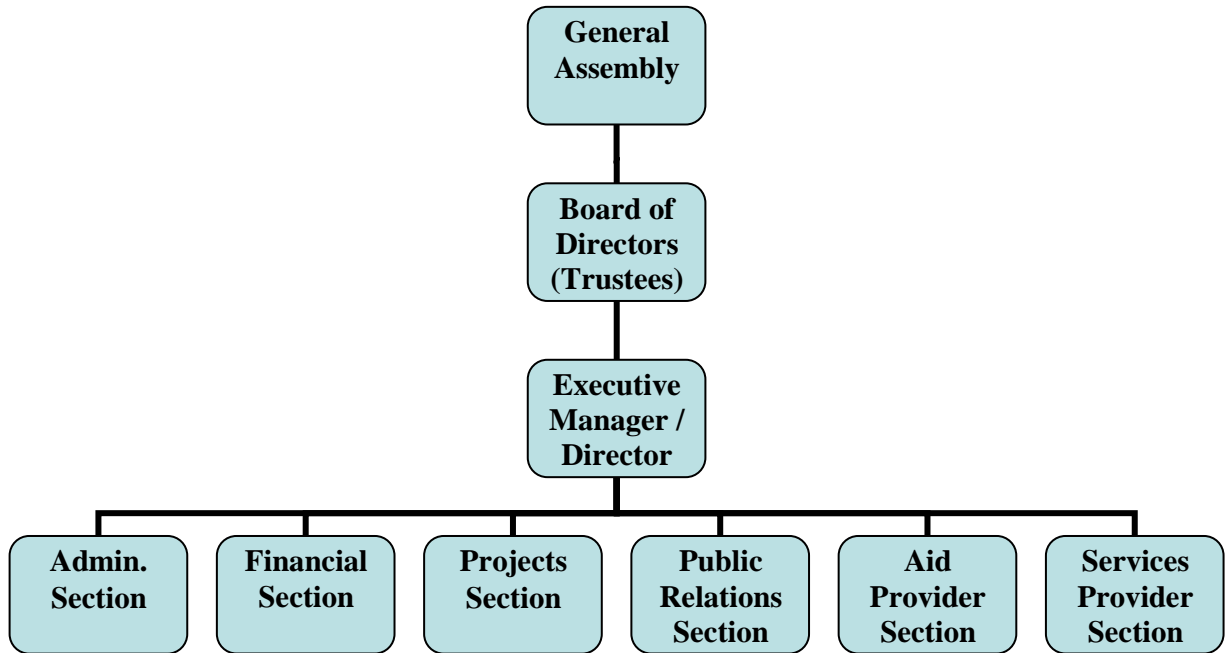
Developmental charities can participate in improving economic circumstances for people through supporting microfinance / microcredit / small projects schemes, creating jobs for unemployed labors and graduates, conducting vocational training for youth and householders.

In addition to that, syndicates, trade unions, and other forms of professional charities aim to raise economic level for their members and resolve their difficulties and obstacles may face them.

- Other agenda: cultural, scientific, ..etc.

As mentioned, the charities are widely different in term of agenda and activities. This affects mainly in their organizational size and hierarchy. But in general, common main items of NOG’s organizational structure can be expresses as follows:

Figure (2.2): Common main items of charities organizational structure



Source: designed by the researcher

A. NGO's Governance:

- General Assembly:

It consists of a certain legal minimum number of members. Those members elect the Board of Directors (Trustees). General Assembly often follow up their charities generally through periodic meetings of General Assembly (regular/ irregular) that may be conducted one or twice annually.

- Board of Directors (Trustees):

It consists of a certain legal minimum number of members. Board of Directors or Trustees are a group of persons, elected by the General Assembly, who supervises the charities and follows up its administrative and financial key activities and makes the main decisions.

- Executive Director / Manager

The charity may have an executive Director / Manager who is the senior employee. Under the supervision of Board of Directors, he/ she runs day-to-day tasks and activities and supervises the executive team work. Manager's responsibilities and authorities varied from a charity to another according to the trustee's delegation range.

B. NGO's Departments / Sections:

- Administrative Section

If any, it assists in administrative daily tasks and activities, human resources matters, ..etc.

- Financial Section

If any, it assists in accounting and financial daily tasks and activities including implementing purchasing procedures, registering revenues and expenditures, archiving supporting documents, assisting charity's treasurer in preparing financial statements and reports, ...etc.

- Projects Section

If any, it assists in needs assessment, proposals writing, fundraising, projects implantation, progress and final reports, ... etc.

- Public Relation (PR) Section

If any, it assists in ensuring good and fruitful relations with different stakeholders, contacting other institutions and media, publicity materials, media documentation for projects, ...etc.

- Aid / Services Sections

If any, they assist in providing aid/ services to beneficiaries according to charity's work and its requirements.

It is worth to mention that the sections/ departments mentioned above may contain part-time employee, full-time employee, or group of employees according to the work size and requirements.

2.5 Palestinian Charities in the Gaza Strip

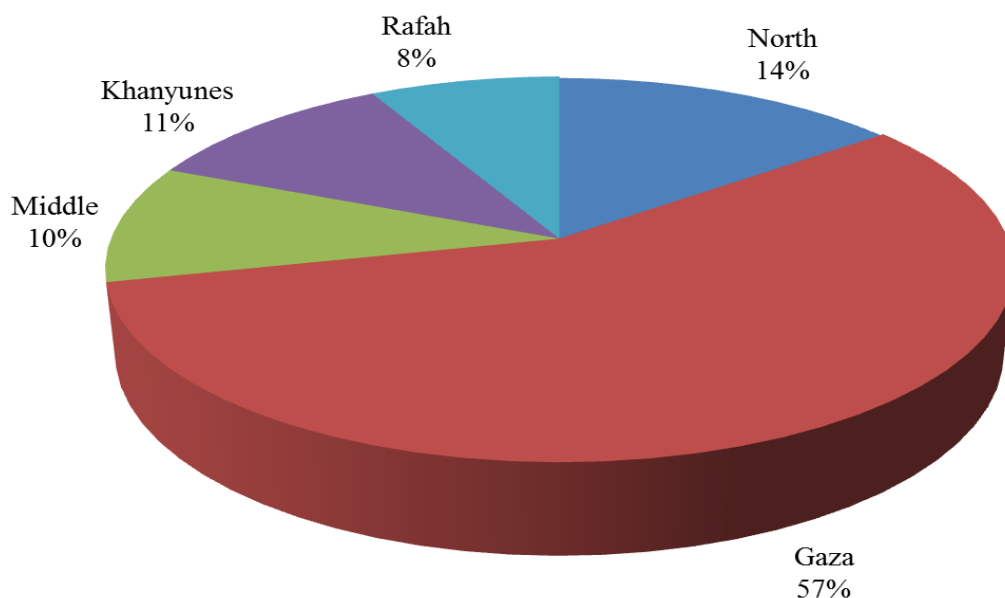
There are 899 registered charities in Gaza Strip according to the following statistics from Ministry of Interior – Charities Department:¹¹

Table (2.1): Registered charities in the Gaza Strip according to the geographical area

No.	Geographical area	Number of registered charities	Percentage
1	North	131	%14.57
2	Gaza	511	%56.84
3	Middle	89	%9.90
4	Khanyunes	97	%10.79
5	Rafah	71	%7.90
Total		899	%100.00

Source: Ministry of Interior – Charities Department, 2014

Figure (2.3): Registered charities in the Gaza Strip according to the geographical area



Source: Ministry of Interior – Charities Department, 2014

¹¹ Ministry of Interior – Charities Department, 2014.

According to their work field, the registered charities mentioned above can be classified as follows:¹²

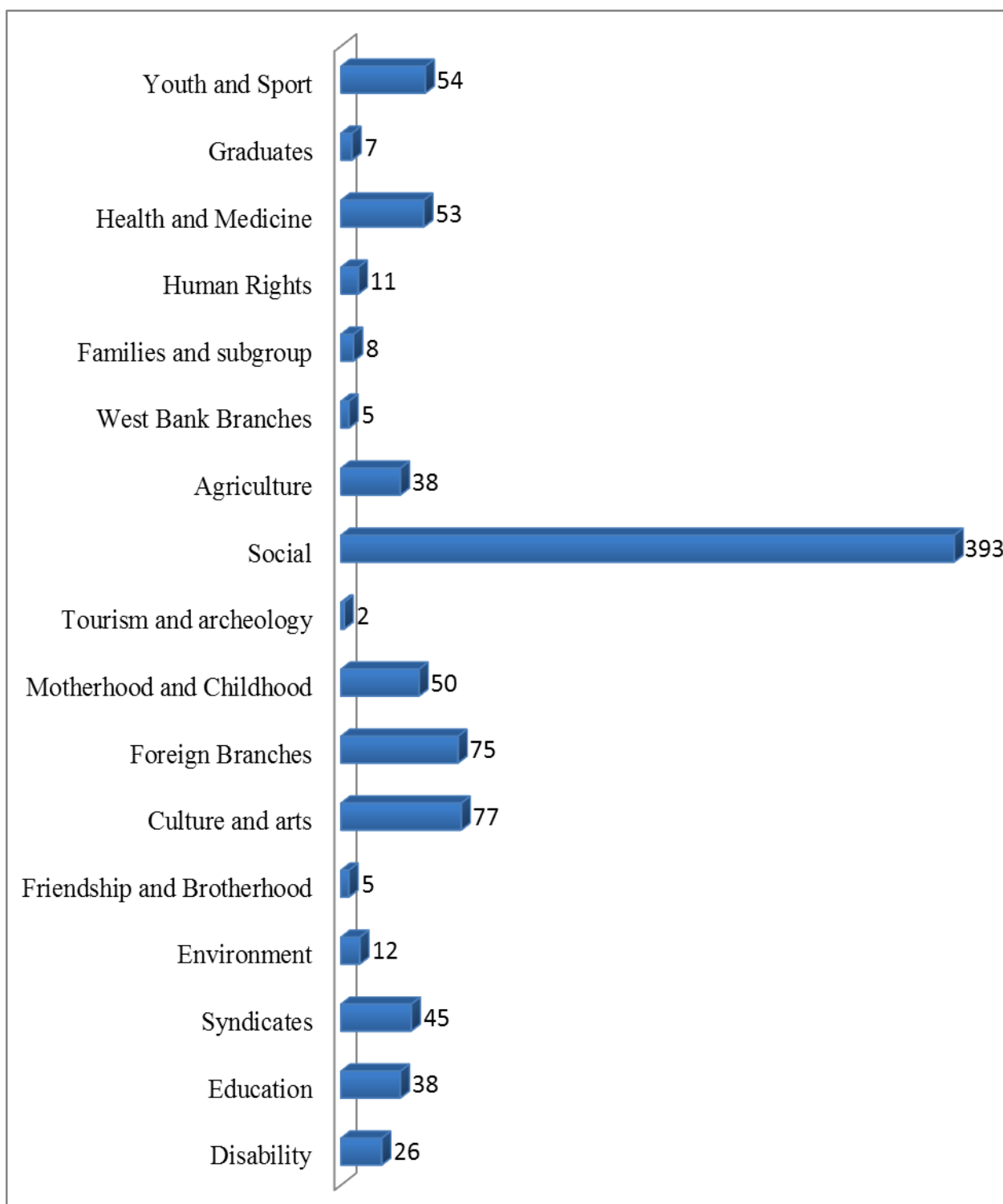
Table (2.2): Registered charities in the Gaza Strip according to the work field

No.	Work Field	Number of registered charities	Percentage
1	Disability	26	2.89%
2	Education	38	4.23%
3	Syndicates	45	5.01%
4	Environment	12	1.33%
5	Friendship and Brotherhood	5	0.56%
6	Culture and arts	77	8.57%
7	Foreign Branches	75	8.34%
8	Motherhood and Childhood	50	5.56%
9	Tourism and archeology	2	0.22%
10	Social	393	43.72%
11	Agriculture	38	4.23%
12	West Bank Branches	5	0.56%
13	Families and subgroup	8	0.89%
14	Human Rights	11	1.22%
15	Health and Medicine	53	5.90%
16	Graduates	7	0.78%
17	Youth and Sport	54	6.01%
Total		899	%100.00

Source: Ministry of Interior – Charities Department, 2014

¹² Ministry of Interior – Charities Department, 2014.

Figure (2.4): Registered charities in the Gaza Strip according to the work field



Source: Ministry of Interior – Charities Department, 2014

2.6 Laws and Regulations Influencing Charities

This study focuses on the major laws and regulations influencing charities work: charities law, financial regulations, labor law, value added tax regulations and Customs law, and income tax law. The following pages will contains such laws and regulations' concept, related general legislative guidelines, Palestinian related legal environment: progress and current main aspects from the researcher's perspective.

2.6.1 Charities Law

Charity (or charitable organization) is a type of civil society organizations (or non-profit organization) organized by a group of members according to certain laws and regulations in order to achieve philanthropic goals for community.

There are many reasons why a country should have laws that assure the existence of a strong, vigorous, and independent civic sector: Firstly, the most important of these is to protect the internationally recognized freedoms of expression, association, and peaceful assembly. These freedoms are enshrined in international and regional agreements that bind most countries. In addition, the constitutions and the laws of many countries protect these fundamental freedoms. Secondly, Civic organization laws help individuals and groups pursue their varied interests and needs. By encouraging the pluralism that results from permitting formal civic organizations to exist, a society demonstrates that it values and respects diversity among its members. In a word, the society endorses the principle of tolerance, respect for the rule of law, and supporting democracy. A vigorous civic sector that is protected and accountable helps to build the pluralism, social stability, public trust, and respect for the rule of law that are necessary for the long-range success of democracy. For marginal groups, civic organizations offer a key way in which they can peacefully pursue their interests and goals without interfering with, or being suppressed by, the wishes of the majority. Thirdly, Civic organizations can often provide public goods and services more efficiently - that is, with higher quality and lower costs - than state authorities. In addition, many countries are making a concerted effort to involve the civic sector in service provision in certain areas (e.g., elder care and care for those living with HIV/AIDS). In some regions this movement is in accordance with the doctrine of "subsidiarity". In others, declining state

budgets force governments to abandon programs that are then continued, to the extent possible, by the civic sector.¹³

Open Society Institute in USA mentioned, in its Guidelines for Laws Affecting Civic Organizations, that: “Laws governing the establishment of civic organizations as formal legal entities generally establish legal personality for the entity and confer limited liability on it and the individuals associated with it. Other privileges (such as access to tax preferences and state contracts) may be conditioned on the establishment of a formal civic Organization”. “Formal civic organizations should generally have the same rights and obligations as other legal persons and should generally be subject to the same civil and criminal law duties and sanctions that are applicable to other legal persons, except to the extent that specific limitations are provided by law. General rules for the establishment of branches, subsidiaries, representative offices and other affiliates of legal entities should apply to civic organizations”. “All acts or decisions affecting formal civic organizations should be subject to appropriate administrative and judicial review”. “In any federal system, careful consideration must be given to which sets of legal rules governing civic organizations should be enacted and administered at the national level and which at the state, provincial, or local level”.¹⁴

In Palestine, the modern civil society seemed during the Ottoman age with issuing of Ottoman Charities Law in 1909 which allow the civil work by noticing the authorities, not registration nor licensing. After the First World War and Palestine occupation in 1917 and announcing the British mandate in 1922, Palestinian civil society advanced from its simple charitable role to advocacy efforts for refugees and victims. But this role retrograded during the period from 1948 to 1967 when Jordan governed West Bank and Egypt governed Gaza Strip. As a step of supporting Palestinian people under Israeli occupation during 1970s and 1980s, active Palestinian NGO’s appeared with the growth of Palestinian Liberation Organization in addition to active Islamic Palestinian NGO’s. After the political categorization during the first Intifada age 1987 – 1993, a dramatic growth in charities population and specializations occurred after the coming of Palestinian authority in 1994 after signing peace agreement, however some argument appeared within NGO’s environment until issuing

¹³ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

¹⁴ Ibid.

Charitable Association Law number 1 for the year 2000. After that, during the second Intifada age 2000, the Palestinian charities have played a significant role in term of health, relief, and advocacy. This role became more essential in Gaza Strip after the Palestinian elections in 2005, when the international fund agencies stopped supporting the 10th Palestinian government (formed by Hamas movement), especially with bad situations of siege, division, and two major crisis in 2008/2009 and 2012.¹⁵

The researcher notes the relative debates in the Palestinian community regarding the law text and application of the Charitable Association Law no. 1/2000. Some people may believe that it keep the right of forming and running charities to ensure the suitable aid, services, and advocacy provided towards community targeted groups. Also, governance, financial, and administrative basic requirements of charities are clear, in addition to possibility of making fundraising, establishing income-generation projects, opening branches, ... etc.

Others may have another point of view concerning some shortages in the law and its application in term of a lot of issues such as conditioning registration in the authorities instead on notification, trustees' actual roles and qualifications, complementing / coordination with governmental and nongovernmental organizations, and other aspects.

2.6.2 Financial Regulations

Financial and accounting work for charities are the procedures of recording, summarizing, classifying, and documenting the occurred different steps of receipting, purchasing, and disbursing and making the necessary treatment for financial and accounting data in order to form of frequent/ annual statements and reports to be benefited by charities' stakeholders.

Open Society Institute in USA mentioned, in its Guidelines for Laws Affecting Civic Organizations, that: "Civic organizations should be required to keep financial documentation, reports, and records of their activities. They should also be required to maintain records of meetings of their governing bodies". "The highest governing body of a civic organization (e.g., the assembly of members or the governing board) should

¹⁵ Abu Saif, A. (2005), "Civil Society and State: Authentic Study with Referral to the Palestinian Reality", Dar Al-Shuroq for Publishing, Ramallah.

be required to receive and approve reports on the activities and finances of the organization to ensure that they are consistent with the purposes stated in its governing documents”. “Some organ of the civic organization (e.g., the governing board or an audit committee created by the governing board) should be given the responsibility, and each member of an MBO the right, to inspect the books and records of the organization”. “Accounting records of civic organizations should be kept in accordance with generally accepted accounting principles (GAAP)”. “As a matter of good practice, any civic organization with substantial activities or assets should have its financial reports audited by an independent certified or chartered accountant, assuming such services are available at a reasonable cost. This should be a requirement for any sizable PBO”. “Any civic organization receiving more than minimal benefits from the state or engaging in a significant amount of public fundraising should be required at least annually to file appropriate reports on its finances and operations with the state agency that is responsible for general supervision of civic organizations”. “Reporting requirements should include a document retention policy that will enable the responsible state agency to adequately supervise the organizations required to file reports”. “All MBOs and small PBOs should be allowed to file simplified reports or none at all”. “Reporting requirements should make appropriate provision to protect confidential or proprietary information”. “The responsible state agency should have the right to examine the books, records, and activities of a civic organization during ordinary business hours, with adequate advance notice”. “The responsible state agency should be able to use random or selective audits and examinations of the books and records of any civic organization subject to reporting requirements in order to ensure that the law is properly observed”.¹⁶

In the Gaza Strip, Charities Department at Ministry of Interior issued Minister of Interior’s decision no. 6/2009 regarding the approval of financial regulations for charitable associations. Although these financial regulations were considered as a primary trial of its type by the Palestinian governments, they included 15 items for different financial and accounting work aspects for charities such as cash / in-kind donations, revenues, expenses, fixed assets, financial control, purchasing/ tendering

¹⁶ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

procedures, store procedures, accounting records and documents, annual financial statements, hiring employees, paying salaries, and petty cash.

Later, two revised copies of charities' financial regulations was issued in 2012 and 2013 by Minister of Interior in the Gaza Strip. The researcher believe that noteworthy details and amendments have been considered in the new editions of the financial regulations, especially in terms conflict of interest, auditing, contracting/purchasing/ tendering procedures during emergencies or force power. However, some wonders maybe raised on the level of routine and complication as consequent of full application.

2.6.3 Labor Law

Labor can be defined as any physical or intellectual effort exerted by an individual in a place or within a space to gain a certain compensation for this labor which can be permanent, temporary, seasonal, ...etc.

“Labor law is one of the most important civil laws in any state; therefore it always receives the most attention of specialized international organizations as well as local jurisdictions. This importance is due to labor laws interconnecting the needs of social, economic and political developments. Ideally, the legislators must take into consideration the interests of both sides of production: the employers and employees. The social side of the labor laws is very important because the laws are applicable upon a huge sector of the workforce members who are dependent upon their employers. The labor law affects all member of the workforce in their daily lives as well as their home life. This law also regulates the work of both women and kids. Most importantly, labor law provides guidelines for salaries of workers which affect the individual' and their families. When law attempts to organize such issues, the goal is to achieve social peace and security. This goal greatly relies on the range of labor law development and improvements. As a result, labor laws, determines the ability to develop the human resources in both the work field and in private sectors. In an economical field, everyone has to be responsible for his role and the importance of labor law in the economy is obvious. Labor law can be one of the most essential laws of any state. Therefore, the task of law writers is to ensure the balance between the work force and their employers.

As a result, this leads to a stable and productive relationship which in turn increases and improves production”.¹⁷

In the Palestinian Territories, labor issues and relations were governed by other countries’ laws: Jordanian Labor Law no. 21/1960 (amended by Jordanian Labor Law no. 2/1965) in the West Bank and Egyptian Labor Law no. 16/1964 in the Gaza Strip. Both laws had a lot of shortage in term of application and accordance with international labor agreements. For these reasons and others, Palestinian National Authority issued the Palestinian Labor Law no. 7/2000 as a new law to cancel the two prior labor laws and to govern labor issues and relations in both Gaza Strip and West Bank by which keep up the Palestinian community developments. This law includes a lot of new items which cover the prior shortages to enhance the labor rights and advantages and to flatten the road to the Palestinian human resources development.¹⁸

After skimming the current Palestinian Labor Law no. 7/2000, it is observed that it comprehends essential items such as disabled persons employment, limited/ unlimited contracting, different leaves types, work termination, retirement social security, safety and vocational health, vocational syndicates roles, women employment, and labor compensation and other rights. These multidiscipline aspects influence administration and financial issues of charities especially which linked to human resources management. However, the researcher sees that the law sympathizes with labors more than institutions which may sometimes impede flexibility and urgency requirements of charities work. In addition to that, troubles maybe occur in the application of the law, for example, determining lowest level of wages.

2.6.4 Value-Added Tax Regulations and Customs Law

Value Added Tax can be defined as an obligated financial amount paid from individuals and institutions to the state on goods and services according to certain regulations, in addition to income tax and other fees, in order to help the state finally to cover its expenditures and achieve its economic and social aims.

¹⁷ Abu Maria, Ali (2012), “Some pledges guaranteed by Palestinian Labor Law number 7 for the year 2000”, Page 115, Published Paper, 28th (1) January Edition, Al-Quds Open University Journal for Research and Studies – Jerusalem.

¹⁸ Ibid.

Open Society Institute in USA mentioned, in its Guidelines for Laws Affecting Civic Organizations, that: “PBOs should be given preferential treatment under a value-added tax (VAT)”. “PBOs should be given preferential treatment under, or exemption from, customs duties and import VAT on imported goods or services that are used to further their public benefit purposes”. “Exemption from or preferential treatment under other tax laws should be considered for civic organizations”. “Civic organizations generally should not be exempted or given preferential treatment under generally applicable social security taxes (including levies for health and retirement funds)”.¹⁹

In the Palestinian Territories, historical background of Value Added Tax refers to August 1976 when Israeli occupation issued executive regulations no. 31/1976 for VAT as a percentage (8%) on goods in Gaza Strip and West Bank. It was varied different times: 12% in 1977, 17% in 1983, 18% in 1991, 17% in 1994, 16% in 2005, 14.5% in 2006.

According to the current Palestinian Value Added Tax regulations and customs law for the year 1929, charities are VAT-exempted for projects funded by external donors only. Imported assets that enter to charities via crossing points are also customs-exempted. This leads to concentrate funds to be disbursed on projects and charitable items rather than decreased due to VAT or customs expenses. However, the researcher believes that charitable aspects have not been considered enough by the Palestinian legislator as the exemptions do not include projects funded by the local community nor income-generation projects related to charities.

2.6.5 Income Tax Law

Income Tax can be defined as an obligated financial amount paid from individuals and profitable companies’ income to the state, according to certain laws or regulations, in order to help the state finally to cover its expenditures and achieve its economic and social aims.

Open Society Institute in USA mentioned, in its Guidelines for Laws Affecting Civic Organizations, that: “Every formal civic organization, whether organized for mutual benefit or for public benefit, and whether a membership or non-membership

¹⁹ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

organization, should be exempt from income taxation on money or other items of value received from donors or state agencies (by grant or contract) and regular membership dues, if any. A variety of approaches may be taken with respect to exemption of interest, dividends, or capital gains earned on assets or the sale of assets, with full tax exemption on such items generally being made available to PBOs”. “To encourage philanthropy and good citizenship, individuals and business entities should be entitled to reasonably generous income or profits tax preferences with respect to donations made to PBOs”. “Net profit or surplus earned by a civic organization from the active conduct of income producing activities may be (a) exempted from income taxation; (b) subjected to income taxation; (c) subjected to income taxation only if the activity constitutes a trade or business that is not related to or is not in furtherance of the not-for-profit purposes of the organization; (d) subjected to income taxation under a mechanical test that allows a modest amount of profits (e.g., 10 percent of overall revenues) from economic activities to escape taxation while imposing taxation on all revenues from economic activities in excess of the limit; or (e) subjected to income taxation under a complex rule that combines some aspects of the preceding rules”.²⁰

In the Palestinian Territories, there were two tax systems in use in the West Bank and Gaza Strip. In Gaza, the Egyptian Income Tax Act No. (13) of 1947 was enforced, while in the West Bank, the Jordanian Income Tax Act No. (25) of 1964. A unified tax law for the West Bank and Gaza Strip, the Income Tax Act No. (17) of 2004 came into effect as of January 1, 2005. Amendments to some articles of the law were adopted by the Cabinet of Ministers and referred to the President for signature in early 2008. These were essentially simplifications and tax cuts, and were approved by the President under ‘Decree- Law No. (1) 2008 for amending the Tax Law No. (17) 2004.’²¹

After reviewing the current Palestinian Income Tax Law no. 17/2004, the researcher sees it is obvious, to some extent, that the law encourages charitable work from two sides: Firstly, as charitable organizations’ charitable activities are income tax-exempted, this save its revenues rather increasing expenditures by income tax expenses. Secondly, encouraging companies to donate for charities by dealing with donations as

²⁰ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

²¹ Palestinian Economic Policy Institute (Mas), “Income tax”, a paper prepared to Palestine Investment Conference, Bethlehem, May 21-23 2008, WWW . P I C - P A L E S T I N E . P S

reductions to be discounted from gross profits. However, allowing maximum deducted donations only 20% of reductions is not enough and there is no other advantages for the donor companies.

A lot of companies do not submit accurate financial statements to the tax authorities as a trial to minimize tax dues. This makes the “20% of reductions” mentioned above has no effective encouragement role.

Regarding income tax on salaries, the charities financial regulations enforces charities to compute and deduct income tax from their employees’ salaries to be paid by charities to Ministry of Finance. Some of charities pay income tax of employees from charities’ budgets as income tax is considered with the budgeting process for this purpose.

2.7 Charities Work Elements

The research focuses on major charities work elements, influenced by the related laws and regulations, that are aid/ services/ advocacy effectiveness, beneficiaries selection criteria, administrative reporting, purchasing and contracting procedures, financial accounting, reporting and auditing, HR recruitment, HR performance, HR compensation, Fundraising.

2.7.1 Fundraising

Fundraising is very important for charities' success because of a lot of key reasons such as:²²

* **Survival:** Every organization needs enough money to survive. It has to meet its project costs and develop its programmes for the future, pay the wages and salaries of its staff plus all its administrative overheads, keep its buildings and vehicles in a good state of repair, and pay for any new equipment that it needs. The list is endless. And the stark truth is that if the money is not raised, the organization will not be able to carry out its work.

* **Expansion and development:** If the organization is to meet the challenges of the future, you may need to expand the work, improve the quality of service, extend your activities into other areas, carry out research, add campaigning and advocacy to basic service delivery, and continue to innovate. All this requires more money – money that you will need to raise.

* **Reducing dependency:** Many organizations have one or perhaps several major donors who provide most of the funds they are spending. This situation can lead to a state of dependency. If one of your large grants is withdrawn, this could create a financial crisis. Not only this, but this dependency can make it difficult for your organization to determine its own agenda since it will be constantly having to adapt to the priorities of its donor organizations. Broadening your fundraising base by bringing in other donors and by generating other sources of income can reduce your dependency.

²² Norton M. (2009), *The Worldwide Fundraiser's Handbook – A resource Mobilization Guide for NGO's and Community Organizations*, 3rd edition, page 1- 2, Directory of Social Change, United Kingdom.

* **Building a constituency:** Fundraising is not just about the amount of money you raise; it is also about the numbers of supporters you can attract to your cause. Each supporter is important to you. They can be persuaded to give again and to give even more generously. They might like to volunteer or might be able to persuade friends and contacts to support you. Their numbers are an indication of the level of support that your organization is attracting, and this can add strength to your lobbying and campaigning work.

* **Creating a viable and sustainable organization:** Fundraising is not simply about generating the resources you need to survive from this year to the next, and paying for any planned expansion and development. It is also about helping to create a viable and strong organization which is able to sustain itself into the future. There are many ways you can do this. One is to build a substantial and active donor base, Second is creating capital (buildings and equipment) within your organization, and developing some sort of income-generating activity within the organization itself.

Open Society Institute in USA mentioned, in its Guidelines for Laws Affecting Civic Organizations, that: “Formal civic organizations should generally be permitted to engage in any legitimate fundraising activity, including door-to-door, telephone, direct mail, television, campaigns, lotteries, raffles, and other fundraising events”. “It may be appropriate to require advance registration of public fundraising campaigns with a public agency responsible for issuing permits and, for in-person solicitations, issuing badges and other identification materials to the fundraisers. However, the government should not be permitted to screen or require approval of specific grants or sources of funds”. “Through either laws regulating fundraising or under rules established by voluntary self-regulatory mechanisms, civic organizations should be required to disclose publicly the way in which funds received from public donations are spent, and, specifically, the extent to which the funds raised are used or expected to be used to defray the direct and indirect costs of fundraising”. “General fraud and other criminal laws should apply to civic organizations and can be invoked if there is any misrepresentation or fraud in connection with the solicitation of funds from others”.²³

It is also stated that: “A formal civic organization that is properly established in one country generally should be allowed to receive cash or in-kind donations, transfers, or

²³ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

loans from sources outside the country so long as all generally applicable foreign exchange and customs laws are satisfied. Such laws should not impose confiscatory taxes or unfair rates of exchange”.²⁴

2.7.2 Beneficiaries Selection Criteria

The poor and needy are the beneficiaries of aid programmes everywhere especially developing countries, a systematic review, of all literature on identification of the poor in developing countries published between 1991 and 2008, surveyed 68 experiences to identify poverty criteria. These criteria be categorized into 11 dimensions of poverty as follows:²⁵

1. Possession of goods and means of production : Some experiences used the fact of having no possessions. Others looked at the ownership of durable goods: mattress, fan, means of transportation, radio. Owning or renting land, its dimensions, use (agriculture, residences, forestry) and type (irrigation) were other criteria, as was the ownership of tools for cultivation (hoe, shovel, rake) or of livestock (chickens, pigs, cattle).
2. Household composition : The criteria sought to determine the size and structure of the household: number of people in charge, age and sex of the head of the household, kinship, conjugal status, orphan status, etc.
3. Income : Individual or household income was calculated on a daily, monthly or annual basis and sometimes according to the strength of the work (income of the man, woman, or children). Occasionally the criterion for poverty was the uncertainty of the income, its absence or its low level, sometimes assessed in relation to the number of members of the household.
4. Condition of dwelling : The criterion for poverty could be the existence or absence of a dwelling, or its quality. Some materials used to construct walls, floor and roof were considered indicators of poverty (leaves, bark, thatch, clay, aluminum sheeting, straw). Other criteria were the size of the dwelling and the number of rooms, sometimes in relation to the number of persons living there. Some experiences also considered the geographical location of the dwelling.

²⁴ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

²⁵ Morestin F. and et al. , (2009), Criteria and processes for identifying the poor as beneficiaries of programmes in developing countries, page 3- 4, Université de Montréal, Canada.

5. Occupational status : Some experiences asked about occupation. In others, certain occupations were targeted as indicating poverty (fisherman, itinerant vendor, domestic worker, sex worker, beggar). The type of remuneration (wage earner, day laborer, casual worker, self-employed, unpaid) and the employment status (employed, retired, unemployed) could also serve as criteria. One experience in Mexico looked at the number of days worked in the preceding week.

6. Food Security : Malnutrition and its associated signs were used as criteria in some experiences. Other criteria looked at the supply on hand of foods that constituted a basic diet. Another element considered was the number of meals in a day, sometimes specifying their quality.

7. Health status : When health status was used as a criterion for poverty, it involved getting information on illnesses contracted over a given period of time, their duration, and the presence of chronic illnesses, tuberculosis or leprosy. Some experiences also took into account physical and mental disabilities that prevented the person from being able to work.

8. Education : Education was assessed from the degree of literacy, the language spoken (official or local), or the level of education of the head of household or other members of the household. The number of children not attending school was also an indicator.

9. Access to basic services and to credit : Access to basic services (electricity, running water, basic sanitation facilities) at home was used as a criterion. Some experiences also looked at the possibility for access to credit (having a savings account, having obtained loans).

10. Expenses : Sometimes total expenses were considered, and sometimes only certain expenses (food, certain material goods, health services). For example, one experience in Sri Lanka considered as poor those households whose food expenses constituted more than 50% of their spending.

11. Physical appearance and clothing : Sometimes a person's physical appearance or clothing was directly observed. In other cases, the person was questioned about the number of items of clothing owned, shoes and what they were made of, etc.

General beneficiaries selection criteria need to be customized to suit the implemented project or programme.

For example: The Canadian Foodgrains Bank mentioned, in *Selecting Beneficiaries for Food Aid* guidelines, that: “At each of the levels described above (individual, household and community), selection criteria must be identified to use during the targeting process. There are two distinct methods to identify the criteria. One way is identifying suitable criteria based on consultations with community and regional authorities. The second way is to allow the community to establish criteria as they develop vulnerability categories. Out of these two criteria identifying processes, several criteria are usually identified. Some criteria are more useful than others, and your agency must determine which criteria and how many criteria should be used. The criteria often fall into one of the three following categories:

1. Health criteria describe the status of a person’s health and may include nutritional measures, disease, and physical ability. All of these can impair a person’s ability to acquire food and to function normally.
2. Asset criteria may include a beneficiary’s current income, crop loss, land base, housing availability, or tools. At a community level, damage to roads and infrastructure, and market prices may provide useful information on the current state of affairs. Again, these factors all affect people’s ability to acquire food and to function normally.
3. Coping strategy criteria refer to what people are doing to survive at the present time. Observing the coping strategies being used can be a good indicator of vulnerability. As well, certain coping strategies – such as selling off tools or livestock at low prices – can impair people’s ability to acquire food in the future. As described in tips 302, the FEWS matrix provides categories of vulnerability based on coping strategies. The two key components are what people are doing with their assets (resources or wealth) and how they are producing food or income. Using a framework like the FEWS can provide useful information on the current level of vulnerability – of communities, households or individuals.

Whatever the level of targeting, the criteria should be clear, culturally appropriate, and ensure that those seeking personal gain do not manipulate the process. As well, the criteria must not be too general. A common oversight is including general categories like “elderly household” as a criteria for a beneficiary household. Since it is possible that some of the elderly are well taken care of by their children or have a well-

established land base, more specific criteria must be developed to select the most vulnerable people from the group of “elderly households”.²⁶

Another example for general beneficiaries selection criteria customization for projects: Mercy Corps mentioned, in its Guide to Cash-for-Work Programming, that: “Once a village committee estimates the number of individuals needed to complete selected activities, the Site Supervisor uses a registration form to collect names and basic personal information of participants. Methods of Beneficiary Selection in Small and Large Communities:

- In small communities, it is possible to hold a public meeting to discuss assets, family size, and special circumstances. The participants should be encouraged to discuss what criteria they believe qualify “vulnerability” and identify participating individuals or households.
- In larger communities or urban settings, it may not be appropriate or possible to hold community meetings. Instead, local leaders or elected committees may be responsible for selecting beneficiaries based on the goals of the project and any other jointly decided criteria. In this instance, the process of beneficiary selection needs to be as transparent as possible so that the entire community knows not only who was selected but how the decision was made.
- In acute or large-scale emergencies, there may be few if any criteria for the selection of the beneficiaries, and all interested individuals may be permitted to participate. An agency should nevertheless set up certain parameters regarding the number of workers desired for each activity in order to ensure a consistent and sufficient labor force at each worksite.

While the communities and their leaders decide who participates in the program, the aid agency can present initial targeting criteria. Self-targeting helps ensure the program reaches the economically disadvantaged, since only those who have no other means of income will accept the lower wages of CfW programmes. Targeting criteria will depend on the overall project goal and the primary assessment of the social/religious/ethnic composition of the community. To ensure that the most vulnerable groups are reached it is important to:

²⁶ Canadian Foodgrains Bank, Selecting Beneficiaries for Food Aid, info sheet 403, page 2, www.foodgrainsbank.ca

- Ensure that physically and socially vulnerable groups including female-headed households, elderly and handicapped are provided with alternative means of assistance through cash vouchers, grants or lighter tasks that avoid heavy labor.
 - Consider whether it would be more beneficial for the community to employ fewer workers from the most needy families for a longer period of time or to spread funds over a larger segment of population for a shorter period.
 - Set age limits for individuals participating in the activities – while Mercy Corps is committed to child labor prevention, economic conditions in areas of CfW implementation should be given strong consideration. In situations when families rely heavily on children’s income, children may be included if:
 - A worker is at least 15 years old.
 - The work does not affect his/her school attendance.
 - The work is appropriate for his/her physical ability.
- ‘Younger laborers are allowed to take longer work breaks.’²⁷

Beneficiary selection and targeting inter-sectorial guidelines for Pakistan was developed in July 2011. These guidelines are an effort to ensure an independent needs-based and principled approach to humanitarian response and appropriate targeting of beneficiaries to ensure equitable access, especially for the most vulnerable, within Pakistan. The six guiding rules for beneficiary selection and targeting:²⁸

1. Independent selection and verification of beneficiaries through organisation and project specific needs-based selection criteria is critical.
2. Prioritisation of the most vulnerable is necessary.
3. Facilitation of access to assistance for all, especially the most vulnerable is required
4. Geographical coverage must be focussed on the areas and populations most in need.
5. Taking into consideration pre-existing social, cultural and political dynamics or practices that may marginalise or exploit certain groups is fundamental.
6. Developing monitoring mechanisms to check that assistance is independent and needs based is required.

²⁷ Mercy Corps, Guide to Cash-for-Work Programming, 2007, www.mercycorps.org, page 18

²⁸ Beneficiary Selection and Targeting Inter-Sectorial Guidelines for Pakistan July 2011, page 1

2.7.3 Aid/ services/ advocacy effectiveness

Charities play an important roles in communities in different fields and forms. Their efforts can be summarized in the following three focal items: ²⁹

- Aid

Aid may be financial or in-kind. The financial aid has many examples such as monthly sponsorships provided by some charities to orphans and disabled, microfinance / microcredit for small projects owners, urgent financial aid to homeless families after wars, financial support for needy university students' fees. In-kind donations are non-financial aid including food parcels, shelters, fresh water tanks, medicines for ill, assistive too for disabled, ..etc.

- Services

There are different forms of services provided by charities. Some of them are health services provided by charitable hospitals and clinics. Others may be educational services provided by charitable schools and kindergartens. In the Gaza Strip, it is obvious that most of disabilities rehabilitation services are provided by charities which provided them with physiotherapy, occupational therapy, speech and hearing therapy, psychosocial support, and other services.

- Advocacy

A lot of charities adopt advocacy roles and work on issues related to community hard circumstances or marginalized groups. Advocacy includes raising awareness and enhancing decision makers to hear from people and solve their problems. This developed to what we called today "legislative advocacy" to act pressure on Members of Parliaments or Legislative Councils.

The Austrian Development Agency's guidelines (for project and programme evaluations) mentioned that effectiveness is concerning to the extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance. It also used as an aggregate measure of (or judgment about) the merit or worth of an activity, i.e. the extent to which an intervention has attained, or is expected to attain, its major relevant objectives efficiently in a sustainable fashion and with a positive institutional developmental

²⁹ Lubbad, M. (2011), Lectures in Civil Society Organizations and Development, Community Development Institute, Islamic University of Gaza.

impact. Have the objectives of the development intervention been achieved? How big is the effectiveness or impact of the project compared to the objectives planned (Comparison: result – planning)?³⁰

The European Commission, in its evaluation guide for humanitarian aid by and for NGO's, presented some questions / points need to be consider to study effectiveness of humanitarian aid as follows:³¹

- Is the project or programme moving satisfactorily toward its stated objectives?
- Is the intervention reaching its target population?
- Are the envisioned services/aid available?
- Are they accessible?
- Is quality good?
- Are the services/aid used?
- "Were the right things done?"
- To what extent have the agreed objectives (sector) been achieved?
- Were the activities carried out as originally planned?
- What were the reasons for achievement or non-achievement of objectives?
- Were appropriate and timely adaptations made in response to changes in the environment?
- How well do the achieved results compare to quality standards?
- What can be done to make the intervention more effective?

2.7.4 Purchasing and contracting procedures

“A procurement policy is simply the rules and regulations that are set in place to govern the process of acquiring goods and services needed by an organization to function efficiently. The exact process will seek to minimize expenses associated with the purchase of those goods and services by using such strategies as volume purchasing, the establishment of a set roster of vendors, and establishing reorder protocols that help to keep inventories low without jeopardizing the function of the operation. Both small and large companies as well as non-profit organizations routinely make use of some sort of

³⁰ The Austrian Development Agency - Evaluation Unit, Guidelines for Project and Programme Evaluations, Page 14, July 2009

³¹ The European Commission, Evaluation guide for humanitarian aid by and for NGO's (an independent review financed by the Directorate-General for Humanitarian Aid), Page 57-58, 2007.

procurement policy. There is no one right way to establish a procurement policy. Factors such as the size of the business, the availability of vendors to supply necessary goods and services, and the cash flow and credit of the company will often influence the purchasing procurement approach. The size of the company is also likely to make a difference in the formation of procurement policy, in that a small company may not be able to command the volume purchase discounts that a large corporation can manage with relative ease. In like manner, the circumstances and financial goals of the business or entity influence the selection of procurement systems. Some systems are simple manual processes that make use of older methods such as a flip card system to track purchases, issuance of items to various departments, and a running tally of inventory that is used to plan future purchases. Today, electronic systems make it possible to automatically track all these functions, include automatically generating requisitions and purchase orders when levels of a given inventory item are down to a certain level. Whether the procurement policy involves the establishment of construction procurement procedures, or governs purchases made by a manufacturer or a charity, a solid policy will benefit the organization by keeping costs in line and clearly defining how purchases will be made. As the needs of the entity change, there is a good chance that the procurement policy will be adjusted to meet those new circumstances. This is necessary to make sure the policy continues to function in the best interests of the company or non-profit organization and keep the acquisition process simple and orderly”.³²

The purchasing of a good (or contracting for a service) authority process can be summarized in the following steps:³³

“Firstly, identifying needs: How was the need identified and does it conform to the policy of the organization? May be verbal, come from team meetings, in writing, by proposal, day to day needs, ..etc.

Secondly, finance: Have I got finance to fulfill the need? Need to check with your budget? Need to check with your Regional Manager? Need to check with your Finance Officer?etc.

³² <http://www.wisegeek.com/what-is-procurement-policy.htm>

³³ Brothers of Charity Services Clare (2010), PURCHASING OF GOODS & SERVICES POLICY - Policy Statement No. 2010-03, page 5 - 7

Thirdly, have I authority to proceed with the purchase? Once it has been established that the finance is available to meet the need, have you the authority to proceed? This will be determined by the 'authority to proceed' limits in the organization.

Fourthly, selection of suppliers: Have I the authority to select a supplier? Does it conform to the authority of the organization? Is the supplier determined by a contract from Central Administration?

Fifthly, ordering of goods: You now commit to contract for the purchase of the goods/services. Has it been ordered in accordance with the policy of the organization?

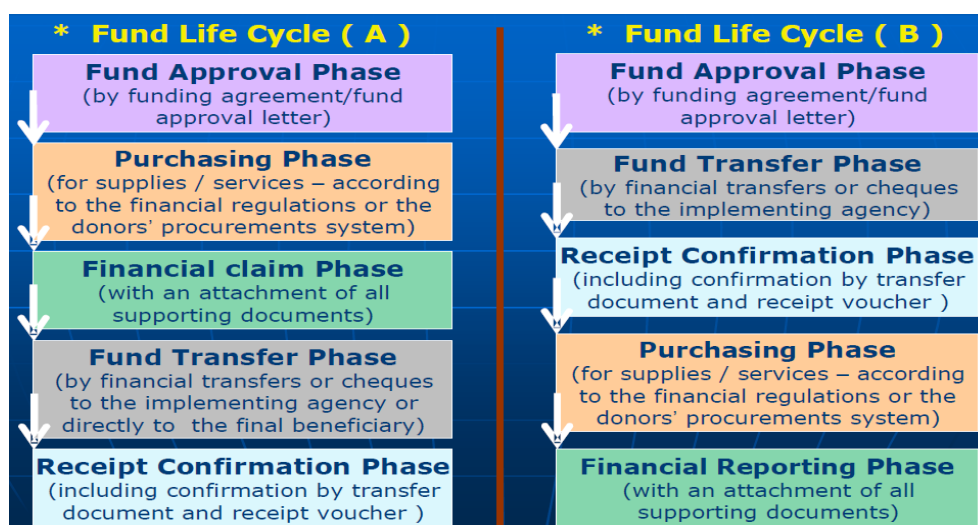
Sixthly, receipt of goods: Are they of the quality and type of goods and services ordered? Is the price the price agreed on the order docket? Are the receipts documented in accordance with the policy of the organization?

Seventhly, passing of invoice for payment: Are the invoices correctly approved for payment by the appropriate person? Are they correctly coded? Have dates been checked at the year-end, especially for audit for year-end accruals consequences? Have they been passed in accordance with the policy of the organization?

Eighthly, processing of invoices and payment to suppliers: Have the invoices passed for payment been properly approved? Is the supplier on the Organizations' database? How is payment made, either from petty cash, by cheque, or by transfer?"

For the funded projects, purchasing/ contracting procedures phase can be conducted after or before receiving funds. The following figure illustrates more details:

Figure (2.5): Two forms of fund life cycle



Sources: Lubbad, M. (2011), Lectures in Civil Society Organizations and Development, Community Development Institute, Islamic University of Gaza.

2.7.5 Financial Accounting and Reporting

The United Kingdom (UK) experience is considered one of the best successful experiences in charitable work. Charity Commission, the regulator for charities in England and Wales, developed Statement of Recommended Practice (SORP) within its regulations to provide recommendations for accounting and reporting. Charities in UK must maintain accounting records and prepare accounts. Registered charities must also prepare an annual report to accompany their accounts. These documents are required to be submitted to Charity Commission within 10 months of the end of the financial year. Charity accounts must be prepared either on the receipts and payments basis or the accruals basis. Which of these is needed will depend on the income of the charity as follows:³⁴

- A. Receipts and payments:** This is the simpler of the two methods and may be adopted where a charity has a gross income of £250,000 or less during the year. It consists of an account summarizing all money received and paid out by the charity in the year in question, and a statement giving details of its assets and liabilities at the end of the year. A charitable company cannot under company law prepare its accounts on this basis.
- B. Accruals:** Charities with gross income of over £250,000 during the year, and all charitable companies must prepare their accounts on the accruals basis in accordance with the SORP. They contain a balance sheet showing the charity's financial position at the end of the year, a statement of financial activities (SoFA) and explanatory notes. The SoFA should show all incoming resources, and resources expended during the year (and for company charities only, an income and expenditure account, except where the SoFA incorporates the income and expenditure account). These accounts are required, in accountancy terms, to show a 'true and fair view'.

In the United Kingdom, all charities must:³⁵

- Keep accounting records. These records (eg cash books, invoices, receipts, Gift Aid records etc.) must be retained for at least 6 years (or at least 3 years in the case of charitable companies). Where Gift Aid payments are received records will need to be

³⁴ <https://www.charitycommission.gov.uk/detailed-guidance/money-and-accounts/charity-reporting-and-accounting-the-essentials-2009-cc15b/#e>

³⁵ Ibid.

maintained for 6 years with details of any substantial donors and to identify ‘tainted charity donations.

- Make the accounts available to the public on request. This is important for public accountability, and must be complied with in all cases. It is open to trustees to make a reasonable charge to cover the costs of complying with the request (eg photocopying and postage).

- Make the Annual Report available to the public on request where one is required to be prepared.

2.7.6 Administrative Reporting

Open Society Institute in USA mentioned, in its Guidelines for Laws Affecting Civic Organizations, that: “Any civic organization engaged in an activity subject to the licensing or regulatory control of a state organ should be required to file the same reports with that agency as any other similarly situated legal or natural person”. “A licensing organ should have the right to audit and inspect a formal civic organization for compliance with applicable licensing or regulatory requirements just as it does other licensees, but should not generally examine or supervise other aspects of the organization”.³⁶

The basic contents of the Annual Report are mandatory. However, smaller charities which are not subject to statutory audit are not required to provide as much information as larger charities which are legally required to have an audit. The Annual Report is an important milestone in a charity's life, a chance to take stock of how the year compared to the trustees' plans and aspirations, a time to celebrate successes and achievements, and to reflect on difficulties and challenges. The Annual Report is also an opportunity to highlight the main activities or significant activities undertaken in order to carry out the charity's purposes for the public benefit. The report's audience is not just trustees and members, funders, donors and beneficiaries, but also the wider public who have an interest in what charities do and what they achieve. The Annual Report need not be lengthy. A good Annual Report explains the charity's aims and how it is going about achieving them. It meets all the legal requirements and provides a balanced view of the

³⁶ Irish and et al. (2004), Guidelines for Laws Affecting Civic Organizations, OPEN SOCIETY INSTITUTE, New york, USA.

charity's structure, aims, objectives, activities and performance. Importantly, it brings the charity to life and for those charities that rely on voluntary income as their primary source of funding provides donors with the opportunity to understand how their money was spent and the difference it has made.³⁷

Usually, charities contact their registration department or bureau to provide their annual or periodic reports and follow up their updates and matters. Charities registration department maybe Ministry of Social Affairs in some countries, Ministry of Justice in another, or another body. In the Palestinian territories, Ministry of Interior is the authorized department for registering charities.

2.7.7 HR Recruitment

Council for the Voluntary & Non-profit Sector in Canada, in its HR Management Standards, talked about human resources management policy framework & employment legislation. It is stated, in its first section of standards, that: “The intent of HR management policies is to create a workplace where:

- It can be assured that minimum legal requirements are being met.
- Best practices appropriate to the organization can be documented and implemented.
- Management decisions and action are consistent, uniform and predictable.
- Individuals and the organization are protected from the pressures of expediency.
- Organization values are promoted.

In developing HR management policies, organizations will likely have practices that can be reviewed and converted into policies. All employers, including those in the non-profit sector, must comply with federal and/or provincial legislation relating to employment and workplaces, therefore HR management policies and practices must take into account the relevant laws and regulations. While legislation provides the framework, the interpretation of legislation will be through case law - both legislation and case law will need to be referenced for a complete picture of what is required of employers. The first section of standards includes:

³⁷ <https://www.charitycommission.gov.uk/detailed-guidance/money-and-accounts/charity-reporting-and-accounting-the-essentials-2009-cc15b/#e>

- HR management policies are formalized, documented and approved by the appropriate authority.
- HR management policies comply with employment, workplace health and safety, and other related legislation as applicable in the jurisdiction in which the organization operates.
- HR management policies are reviewed on a regular basis and revised, if necessary”.³⁸

The second section of standards, human resources management policy framework & employment legislation, stated that: “Recruiting individuals to fill positions is the most critical HR management function undertaken whether the person is being recruited from within or outside the organization. Committed, motivated, and qualified employees will help an organization achieve its purpose and goals. The recruitment process begins by defining the job, seeking a pool of qualified individuals, selecting the best individual for the position, and finally orienting the individual to the position and to the organization (if the individual is hired from outside the organization).

When an organization hires, promotes or transfers an employee it is making a commitment to that person. As such, an organization is obligated to ensure that the individual has all reasonable opportunity to perform the job satisfactorily; the goal is to recruit, select and orient the most suitable individuals to the organization. The second section of standards includes:

- An approved job description is completed for all positions.
- Recruitment is through an objective, consistent process.
- Criteria used to select the appropriate individual are established and documented.
- All individuals external to the organization who are offered a position sign a letter of employment that outlines the working relationship between the individual and the organization.
- All new employees are oriented to the position and to the organization.
- Plans are documented to address any potential key employee turnover so that the organization’s clients and public continue to receive programs and services”.³⁹

³⁸ Council for the Voluntary & Non-profit Sector in Canada (2009), HR Management Standards, page 6 – 7, Ottawa, Canada.

2.7.8 HR Performance and Appraisal

Performance management can be defined as a process that consolidates goal setting, performance appraisal, and development into a single common system, the aim of which is to ensure that the employee's performance supports and contributes to the organization's strategic aims. Performance Appraisal is evaluating an employee's current and/or past performance relative to his or her performance standards.

Performance appraisal consider planning the performance and identify it's goals, establishing performance goals, appraisal method, appraisal data sources, feedback & performance interview, appealing, and appraisal period.

Performance criteria often includes competencies, achievements, traits and behavior. There are different methods of performance appraisal such as graphic rating scale method, alternation ranking method, paired comparison method, forced distribution method, critical incident method, narrative forms, behaviorally anchored rating scales (BARS), management by objectives / results based systems, computerized and web based performance appraisal, and merging the mentioned methods.

Performance can be done by the immediate supervisor, peer appraisals, rating committees, self-rating, appraisal by subordinates, and 360 Degree feedback. Performance may suffer from problems like unclear standards, halo effect, central tendency, leniency or strictness, bias, initial impressions or last impressions, and lack of objectivity. However, such problems can be avoided by know these problems, use right tool, train Supervisors, control outside influences, and keep a diary.⁴⁰

2.7.9 HR Compensation

Employee compensation can be defined as All forms of pay or rewards going to employees and arising from their employment. Financial compensation is all forms of financial payment which can be direct or indirect. Direct financial payment is the pay in the form of wages, salaries, incentives, commissions, and bonuses. Indirect financial payment is the pay in the form of financial benefits such as insurance. Non-Financial

³⁹ Council for the Voluntary & Non-profit Sector in Canada (2009), HR Management Standards, Ottawa, Canada.

⁴⁰ Dessler, G., (2008) "Human Resource Management", 11th edition. London: Pearson Education International Prentice Hall.

Compensation is the satisfaction that a person receives from the job itself or from the psychological and/or physical environment in which the job is performed.

There are basic factors in determining pay rates such as legal considerations in compensation, union influences on compensation decisions, competitive strategy, corporate policies, and compensation, in addition to equity and its impact on pay rates including equity theory of motivation, external equity, internal equity, individual equity, procedural equity.

Financial incentives are financial rewards paid to workers whose production exceeds a predetermined standard like merit pay (merit raise), incentives for professional employees, recognition based awards, supporting incentives and recognition programs with technology, annual bonus, and stock option.

Benefits are indirect financial and nonfinancial payments employees receive for continuing their employment with the company. They may include social security, unemployment insurance, workers' compensation, leaves under the family medical leave act, disability, health, and life Insurance, pensions, paid time off for vacations, holidays, sick leave, personal leave, jury duty, employee assistance and counseling programs, "Family Friendly" benefits for child care, elder Care, flexible work schedules, executive perquisites.⁴¹

⁴¹ Dessler, G., (2008) "Human Resource Management", 11th edition. London: Pearson Education International Prentice Hall.

2.8 Previous Studies

2.8.1 Arabic Previous Studies

*** Al-Dahnon (2013), “Review on Three Judgments Issued by the Supreme Justice Court in Gaza regarding Charitable Associations”.**

- This study aimed to explore judgments regarding disbanding and / or closing three charitable associations, issued by the Supreme Justice Court in Gaza, and to evaluate the relationship between the executive and judicial authorities in term of canceling illegal decisions.
- The study is a qualitative research that explored and analyzed three cases for the selective three members of the study community: Assembly of Sewing Factories, Charitable Association for Women and Children Development, and Central Blood Bank Association.

The main related results were:

- Palestinian National Authority (PNA) issued Basic Law that supports the right to freedom of association as well as the law of charitable associations and its executive regulations that governs formation and management of these important associations. However, the Palestinian division in 2007 caused a setback for the human rights situation, especially the right to form associations and their work freedom. The dominated authorities intervened in the political situation and in work of associations, judiciary and legislation.
- The Supreme Justice Court in Gaza issued judgments regarding three Charitable Association. The decisions were to disband and / or close of Assembly of Sewing Factories, Charitable Association for Women and Children Development, and Central Blood Bank Association. The review sees that these judgments are objectively contrary to the Basic Law and the provisions of the charitable associations' law in term of ignoring, in the first issue, the Ministry of the Interior's controls over the association and the confiscation of its contents before issuance of court's ruling, and in the second issue, building judgment on vague phrases like participation in political action. The third one focused is related to preventing public employees from working in a job, whether paid or not paid, at community organizations. It specifically targets those individuals who abstained from joining their governmental jobs after the Palestinian

fragmentation. This reflects that this decision was taken on political grounds, to prevent political rivals to engage in civil society work.

The main related recommendations were:

- To enhance the respect of law and judicial decisions.
- To eradicate the Palestinian internal division.
- To motivate the administrative and judicial monitoring on the executive and judicial authorities, and update laws to be more specific away of individual opinions.

*** El-Helo (2012), “Role of Applying Good Governance Principles in Gaza Strip NGO’s in Achieving Sustainable Development”.**

- This study aimed to identify the role of applying the principles of good governance in the biggest 100 NGOs in Gaza strip and its effect on the contribution of these organizations in achieving sustainable development in the society.
- To perform this study, the researcher used the analytical descriptive approach. A questionnaire, prepared as a main tool of research, has been distributed over the chairmen of boards of directors and the executive directors of the 100 biggest NGOs in Gaza strip .

The main related results were:

- The principles of good governance are applied in the NGOs in Gaza Strip by a percentage of 77 % . They apply accountability, justice , equality , consensus, internal regulations (control of law , effectiveness, efficiency, the strategic vision , decentralization and transparency) at accepted percentages that show the general awareness of these organizations towards the positive effects of the good governance as a managerial approach.
- There is a direct relationship that is statistically significant at $\alpha= 0.050$ between applying the principles of good governance and the contribution in achieving the continuous development, at which the application of these principles contributes in achieving the continuous economic, social and environmental development in the society.

The main related recommendations were:

- It is important for NGO's, in cooperation with donors and other stakeholders, to put practical mechanisms and internal regulations to improve applying principles of good governance in different management phases using different tools and consultations with others with emphasizing on importance of them in achieving sustainable development.
- The need to activate government and lawmakers' role in directing NGO's in applying principles of good governance and contributing in sustainable development in the Gaza strip through modernizing laws and regulations to be linked with good governance principles and sustainable development criteria, developing monitoring mechanisms depending on mutual trust beyond routine complications, and encouraging private sector to play more effective role in supporting NGO's out of social responsibility principle.

*** Abu Maria (2012), "Some pledges guaranteed by Palestinian Labor Law number 7 for the year 2000".**

- The aim of this research is to explore some of the advantages and guarantees given by the Palestinian Labor Law to the Palestinian workers and the weaknesses of it.
- It is a qualitative study that investigated importance, advantages, and criticisms of the law on the Palestinian labors / employee who are working in NGOs and private sector.

The main related findings of the study were:

- Ideally, the legislators must take into consideration interests of both sides of production: employers and employees. Labor law is one of the most important civil laws due to its interconnecting with social, economic and political developments needs.
- The social side of the labor law is very important because it is applicable upon a huge sector of the workforce members who are dependent upon their employers. When law attempts to organize such issues, the goal is to achieve social peace and security. This goal greatly relies on the range of labor law development and improvements.

- In an economical field, everyone has to be responsible for his role and the importance of labor law in the economy is obvious. Labor law can be one of the most essential laws of any state. Therefore, the task of law writers is to ensure the balance between the work force and their employers. As a result, this leads to a stable and productive relationship which in turn increases and improves production.
- There are some rights and pledges guaranteed for employees, by Palestinian Labor Law number 7 for the year 2000, in term of employment and vocational orientation, vocational training, work contract (contract period, contract affirmation, work conditions, work nature), syndicalistic activities freedom, wages security, labor suits litigation. Although such guarantees are minimum, they participate, to some extent, in achieving human resources development, self-confidence, psychological stability, and job security.
- The Labor Law suffers from criticisms like lack of punishments on employers, unclear consequences of dwindling employee's minimum rights, absences of enforced labor specialized courts, unlimited judgment period, ...etc.

*** Al-Allol (2011), "Requirements Availability of E-Management Application Success in the Largest Charities in the Gaza Strip, and their impact on institutions' readiness against corruption".**

- The objective of this research is to identify the requirements availability for the successful application of electronic management in the largest one hundred charitable associations operating in the Gaza Strip. It also aims to recognize the impact of such requirements on the readiness of institutions against corruption.
- To perform this study, the researcher used the analytical descriptive approach. A questionnaire, prepared as a main tool of research, has been distributed over the executive directors of the 100 largest NGOs in Gaza strip. Moreover, the researcher conducted four interviews to interpret certain findings.

The main related results were:

- The availability rate of requirements for the successful application of e-management reached 68.92%. This is to say, the availability increases internally and decreases when it comes to relation with constituency. This result indicates

the low ability to fully apply e-management in rendering service to the public, particularly in light of the absence of legislations that govern the electronic environment that preserves privacy. It also shows the weak willingness and acceptance of the public to deal with those associations through websites.

- There is an institutional readiness against corruption estimated by 76.68%. This weight indicates the ability to reduce corruption but not preventing it, particularly in light of the low income levels and inadequate presence of integrity values, which could transform transparency and accountability to general formalities that cover up practices of corruption.
- There is a direct, significant statistical relationship at the level of significance of $\alpha \leq 0.05$, between the availability requirements for the successful application of e-management and the institutional readiness against corruption. However, some requirements, including organizational, financial, maintenance, information security and soft technical structure, are considered most influential on the institutional readiness against corruption and constitute 56.4% of the total influence.

The main related recommendations were:

- The need of develop government and legislators' roles in revising and adopting comprehensive laws to regulate the electronic environment of charities and their electronic relationships with governmental bodies.
- To promote Gaza charities' IT facilities, other organizational infrastructure, and operational expenses, it is highly recommended to establish income-generation projects according to item no. 15 of Charitable Associations number 1 for the year 2000 to be utilized in covering their charitable activities and operations.
- The importance of activate donors and Ministry of Interior's roles in supporting, guiding, monitoring, and evaluating the charities' compliance with codes of conduct.
- It is highly required to adopt new administrative and financial reports' forms for Charities work easier to be understood, evaluated, and utilized in concluding competitive performance classifications.

*** Al-Mashharawi (2009), “Study on Fundraising and Financial Management in Charities”.**

- This research aimed to recognize the reality, strength, and weakness of fundraising and financial management in Gaza Strip charities.
- The researcher used the analytical descriptive approach. A questionnaire was the main tool of research as it has been distributed over boards of directors and executive directors of 53 charitable associations in the Gaza strip selected randomly.

The main related results were:

- Taxes and customs exemptions for charities is considered indirect donations, by governments, which participate in encouraging charities and their partnership with state. Such participations (exemptions) need to be enlarged.
- Gaza Charities have shortages in fundraising diversification plans, self-dependency development strategies, internal financial regulations, budgeting, and internal auditing.

The main related recommendations were:

- The need of developing the shortages (mentioned above) in fundraising and financial management in Gaza Strip charities.
- It is highly recommended to empower the role of monitoring institutions (Ministry of Interior and Public Monitoring Council) including focusing on ensuring annual and projects budgeting, comparing annual financial statements, and field inspection.
- The need of updating laws to empower the general assemblies setting criteria for board of directors' elections.

*** Al-Buhaisy (2009), “Assessing Financial Regulations of Gaza Palestinian Charities – Field Explorative Study”.**

- The objective of this research is to assess the reality and details of financial regulations for charitable associations operating in the Gaza Strip.
- This is a field explorative study where the researcher used the analytical descriptive approach. An interviewed questionnaire has been used on 50 key

financial specialist of the charitable associations in Gaza strip selected randomly from associations registered in PNGO.

The main related results were:

- In addition to absence of separating work tasks clearly as one of financial performance deficiency, only 29% of the charities , included in study sample, have an accountant: (13% full time and 16% part time) and 69% of them assign accounting tasks to their external auditors. This may increase possibilities of undiscovered mistakes, manipulation, fraud.
- None of charities, included in study sample, has a complete comprehensive internal written financial regulations where all of them have the Ministry of Interior's financial regulations, which are not sufficient as they control less than 50% of the financial work as emphasized by the majority of the sample.

The main related recommendations were:

- The high necessity of raising Charities' trustees' awareness towards financial aspects.
- To amend the Ministry of Interior's financial regulations to be more clear, detailed, comprehensive, and complete in term of the needed HR in accounting, documents / forms, procedures, etc.

*** Elewa (2007), "Managing and Organizing Zakat, and Their Effect on Limiting Poverty Rate in the Gaza Strip".**

- The research aimed to study the role of the charitable association, that work in Zakat field in the Gaza- Strip, to alleviate growth of poverty through their Zakat management. It also aimed to present a proposal for managing and organizing the Zakat efficiently.
- To achieve the research aims, the researcher used the analytical descriptive approach. A questionnaire, prepared as a main tool of research, has been distributed over 91 charitable associations working in Zakat field in the Gaza- Strip.

The main related results were:

- Despite big impediments due to political circumstances, Gaza charities working in Zakat field, from their managers' perspectives, have a good level of

administrative and organizational effectiveness. But there is a clear shortage in strategic planning, HR performance and compensation systems, and specialism.

- Regarding limiting poverty rate in the Gaza Strip, a notable efforts are exerted by the charities especially in orphans sponsorships, other relief projects, and establishing productive and development projects to support self-dependency policy.

The main related recommendations were:

- To establish a Zakat council for organizing Zakat collection and disbursement, set needs priorities, trigger networking and coordination among charities using IT integrated databases to prevent duplications.
- To enhance strategic planning, HR performance and compensation systems, and specialism.

*** Al-Moa'aqat et al. (2007), "The Palestinian NGO's Work Accountability – Evaluation Study".**

- This study aimed to evaluate the legal framework that governs the Palestinian charitable associations in term of accountability, transparency, and integrity aspects.
- The study is a qualitative evaluation research that focused on the charitable association in the Gaza Strip and West Bank.

The main related findings were:

- Palestinians laws influencing NGO's (mainly Palestinians Charities Law no. 7/2000 and Administrative & Financial Monitoring Council Law no. 15/2004) are more advanced than a lot of other Arabs NGO's laws as the Palestinians ones included some substantial points, for enhancing transparency and accountability in charities, related to trust deed, governmental monitoring authorities, files and records keeping, informing regarding any legal changes, administrative & financial reporting to the local authorities, conflict of interest among board of directors, board of directors' meetings and responsibilities, general assembly forming and responsibilities, financial affairs, auditing, ...etc.
- Palestinians laws influencing NGO's suffer some shortages in term of corruption and infringements eradication actions, right of public to know about NGO's

works, clear necessity of registration rather than licensing, interaction with state, need of publishing budgets and audited financial statements, further detailed regulations regarding boards of directors & general assemblies, ...etc.

*** Awad (2006), “Demand on Audit in Local Non-Governmental Organizations (NGOs) in Gaza Strip”.**

- This study intended to define the status of the demand on audit in NGOs in Gaza Strip and to come out with the best ways to develop it.
- To achieve the research aims, the researcher used the analytical descriptive approach. A questionnaire, prepared as a main tool of research, has been distributed over 280 charitable associations mentioned in the UNESCO NGOs list 2003.

The main related results were:

- There is a great awareness among the NGOs with the importance of audit service.
- Considerable parts of NGO's maintain records by a certified accountant and carry out audit upon the request of donor agencies.
- Lack of official supervision by national bodies and the need for further development and updating of relevant laws and regulations.
- Lack of civil society and professional bodies' supervision.
- Some NGO's were reluctant to obtain audit, either due to lack of awareness, inability to bear its cost, or the feeling among administration that there is no need for such services.

The main related recommendations were:

- The need of raising awareness of NGO's boards of directors and general assemblies regarding accounts auditing importance and modernizing financial regulations to be legally enacted.
- The necessity to obligate NGO's to employ full / part time accountants for keeping financial books and records, contract with external financial auditor, and publish their audited financial statements via their websites.
- The need to enhance Ministry of Interior and Public Monitoring Council's roles in monitoring and controlling NGO's financial activities and performance.

- The necessity of develop confidence between NGOs and national bodies and increase awareness among civil society bodies, and individuals.
- The need to extend the role of professional bodies.
- The need for NGOs to submit an annual audit report to its general assembly, as well as the need for additional sources to cover the cost of audit fees.

*** Sharaf (2005), “The effect of the financial control and the finance continuity for the civil society organizations (CSOs) in Gaza Strip”.**

- This research aimed to study the relationship between the financial control and the finance continuity for the civil society organizations (CSOs) in the Gaza Strip.
- The researcher used the analytical descriptive approach. A questionnaire was distributed to 115 persons involved in financial tasks at Gaza Strip charitable associations mentioned in the UNESCO NGOs list 2003.

The main related results were:

- Due to the legal enforcement of audit reports and accounting systems and its importance for donors, there is a significant and effective role of external audit firms on the internal financial and administrative regulations and hence on the financial position.
- The role of internal control systems and control tools is moderate because of absence of related legal enforcement.
- The role of monitoring institutions (Ministry of Interior and Public Monitoring Council) is limited as they do not practice comprehensive regular monitoring.

The main related recommendations were:

- The importance of HR recruitment quality for CSOs because of its positive effect on working with donors despite the absence of legal enforcement.
- The need of updating laws to empower the general assemblies and monitoring institutions to carry out their roles in addition to set minimum qualifications for board of directors.

2.8.2 Foreign Previous Studies

* Brooks (2013), “The Great Recession, Tax Policy, and the Future of Charity in America”.

- This research aimed to study the great recession, tax policy, and the future of charity in America, more specifically, to explore effects of income and tax rate on charitable giving in terms of elasticities⁴².
- The researcher used secondary data analysis approach to perform this research. Estimating the tax price and income elasticities of giving depended on the Panel Study of Income Dynamics (PSID), a national panel survey that has been conducted every one or two years since 1968.

The main related results were:

- When the tax rate increases, the deductible portion of a contribution increases by the same amount, so the effective rate of the contribution falls. For example, if tax rate is 25% and a taxpayer donates a dollar, his taxable income falls by the dollar and this saves him 25% in taxes.
- The study estimated the tax rate and income elasticities of giving, in the wake of the Great Recession, using the 2009 Panel Study of Income Dynamics (PSID). The estimates are notably different than the typical findings from before the recession.
- Most importantly, tax rate elasticity is much higher (in absolute terms) and income elasticity is lower. These unusual patterns are much more pronounced for secular giving than for religious giving, and the effects are much more muted when only considering itemizers, considering the likely effects of the 2013 personal income tax rate increases and possible tax deduction limits currently under consideration by the Obama Administration. It is found the tax increases to have a moderate impact on giving, but predict the deduction cap will have a large negative impact.

The main related recommendations were:

⁴² The price elasticity of giving shows how tax policy will affect the nonprofit sector and allows us to predict the effects of changes in tax rates to donation levels. The income elasticity allows us to predict the rates of growth in the sector.

- Any income tax laws / regulations should consider the effect on charity / donation in different circumstances. This can be an actual tool by which governments can encourage donations.

*** Harding (2013), “What is the Point of Charity Law?”.**

- This study aimed to set out some preliminary thoughts in response to the question (what is the point of charity law?). In other words, why would the state go to the trouble of enacting, maintaining and supporting the legal rules, doctrines, principles and practices that, taken together, make up charity law?
- It is a qualitative study that discussed the fundamental of charity as mentioned above.

The details of charity law may be evaluated and arguments made, for or against their retention, in light of three main features:

- Firstly, charity law is organized around the legal definition of charity which is a set of criteria that must be satisfied if a purpose is to be regarded as charitable according to law, and only a gift, trust, entity or association whose purpose is charitable according to law is itself regarded in law as charitable. The criteria by which charitable status is conferred or withheld in law vary in detail from jurisdiction to jurisdiction, but in all jurisdictions the criteria are broadly similar. The purpose under scrutiny must fall within one of a set of general descriptions of purpose like ‘relief of poverty’, ‘advancement of education’ and ‘advancement of religion’.
- Secondly, through charity law the state extends special, favorable treatment to those whose purposes satisfy the legal definition of charity. With limited exceptions, gifts and trusts for purposes are valid and enforceable in law only if they are for charitable purposes. The state also puts at the disposal of those who must administer a gift or trust to be varied if this is appropriate. Moreover, through those rules of the tax and transfer system that are also part of charity law, an organization with a charitable purpose may be exempt from paying certain taxes that it would otherwise have had to pay or may qualify for certain transfers that it would otherwise not have qualified for. And gifts to organizations with a charitable purpose may attract state subsidies by being

counted as deductions for the purposes of calculating taxable income or in other ways.

- Finally, an entity with a charitable purpose may thereby come within the purview of a regulatory authority established to oversee the 'charitable sector', and may benefit from this. For example, an authority may be empowered by government to register charitable trusts, entities and associations for regulatory and other purposes, and it may be that when raising funds or awareness of purposes in the community there are reputational benefits to be gained by being a registered charity.

*** Marx (2012), "Effects of Regulation on Donations to Charitable Foundations".**

- This research aimed to study the effects of regulation on donations to charitable private non-operating foundations, rather than public charities, as abuse of the charitable deduction.
- The researcher used secondary data analysis approach to perform this research. Foundation-year data have been compiled from the Foundation Directory (Foundation Center, The, 1960-1986). The Foundation Center collected the data from a combination of surveys and public records and published an edition of the Foundation Directory at least once every three years since 1960. It allows grant seekers to find likely funders and provides information about the foundations' grants and other finances.
- The study community are US tax-exempt charitable organizations. They defined into public charities (engage in continual fundraising to cover the costs of providing charitable goods or services) and foundations (earn income from invested endowments) .

The main related results were:

- U.S. tax law allows donors to claim deductions from their taxable income when they donate to a charitable organization. Most U.S. foundations are "private," i.e. they are funded by a small number of individuals or companies, and "non-operating" in that they primarily make grants to public charities rather than providing services directly.

- Wealthy families and companies give a large share of their donations to private foundations due to their close control of these organizations. This raises concerns for tax enforcement. Management of a private foundation is generally determined by the only donors it will ever have. Foundations therefore largely avoid agency problems, but the donor/ manager has little incentive to put funds to the charitable uses for which the federal tax subsidy was provided. In the past a donor was able to give corporate stock to his foundation, claim a tax deduction, then instruct the foundation to hold the stock in perpetuity and vote according to his preferences.
- To prevent such abuse of the charitable deduction, the new Reform imposed regulatory requirements. The reform halved the number of existing foundations receiving gifts, and entry ones dropped precipitously. Declines were much greater for foundations funded by individuals than for company foundations, especially for donors who managed their own foundations, consistent with a deterrent effect. At the same time, about 40% of the decline in giving can be explained by the increased cost of running a foundation.
- The research proved that tax enforcement legislation reduced gifts to private non-operating foundations because donors were sensitive to the administrative expenses imposed by the law.

The main related recommendations were:

- Any income tax laws / regulations should consider the effect on charity / donation in different circumstances. This can be an actual tool by which governments can encourage donations.
- Governments need to monitor and study the donation field in order to prevent abuse of the charitable deduction.

*** Lanis and Richardson (2011), “Corporate social responsibility and tax aggressiveness: An empirical analysis”.**

- The research aimed to examine the association between corporate social responsibility (CSR) and corporate tax aggressiveness especially that CSR is usually considered to have little relevance to the operations of the corporation.

- The researcher used secondary data analysis approach to perform this research, based on a regression analysis of a sample of 408 publicly listed Australian corporations collected from the Aspect-Huntley financial database for the 2008/2009 financial year, which represents the latest and most complete financial year available for data collection at the time that this study was carried out.

The main related results were:

- The regression results show that the higher the level of CSR disclosure of a corporation, the lower is the level of corporate tax aggressiveness.
- There is a negative and statistically significant association between CSR disclosure and tax aggressiveness, thus more socially responsible corporations are likely to be less tax aggressive in nature.
- The social investment commitment and corporate and CSR strategy (including the ethics and business conduct) of a corporation are important elements of CSR activities that have a negative impact on tax aggressiveness.

The main related recommendations were:

- As donating to charitable organizations and activities is one of the main roles of corporate social responsibility, companies' charitable donations can be encouraged by the expected tax facilitations (such as deduction, ...etc).

*** Reiser (2011), "Charity Law's Essentials".**

- This study aimed to explore the essential requirements by which charity law can best promote mission accountability as the boundary between charity and business has become a moving target.
- It is a qualitative study that discussed the essential requirements of the law that govern charities work.

The main related results were:

- Charity law can best promote mission accountability by focusing on two essential requirements: Firstly, charities must maintain an other-regarding orientation and must be governed by a group. The requirement that charities be other-regarding, not self-regarding, stems the possibility that charitable mission will be clouded by self-interest. Secondly, the requirement that a charity must be

controlled by a strong and diverse group, rather than by the vision of a single individual, provides a structure for articulating, evaluating and evolving mission internally over time.

- Much of current charity law is taken up identifying, restricting, and penalizing charities' commercial and political activity. When focused on an other-regarding purpose and governed by a diverse group, charities themselves are better suited to determine when these categories of activity threaten mission, and when they are pivotal to carrying mission forward.

The main related main recommendation was:

- Charity law should be reformed to refocus on the other-regarding orientation and group governance requirements, excising restrictions on commercial and political activity where possible. Doing so will not only improve charity law's ability to regulate traditional charities, but will also give it the necessary tools to respond to the spate of recent innovations blurring the boundary between charity and business.

*** Freedman (2011), "Prosecuting Terrorism: The Material Support Statute and Muslim Charities".**

- This study aimed to discuss the material support statute and Muslim charities in USA especially that some opinions see that the growth of them has occasionally led to problematic ties to terrorist organizations.
- It is a qualitative study, on Muslim charities in USA, focusing on two case studies: the Haramain Foundation (headquartered in KSA) and the Holy Land Foundation for Relief and Development (headquartered in USA).

The main related findings were:

- Some opinions see that the growth of Muslim charities has occasionally led to problematic ties to terrorist organizations for several reasons: skills that have made national and international to raise and distribute large funds, efforts focused on world parts where terrorist groups are active, and terrorist organizations themselves often have social or charitable wings.

- The Haramain Foundation (headquartered in KSA) and The Holy Land Foundation for Relief and Development (headquartered in USA) are seen, by the opinions mentioned above, as good examples of the dual purpose such organizations often serve. These opinions, as President Barack Obama recognized in his Cairo speech in June 2009, believe that a successful legal approach to terrorist financing must proceed from an understanding of this complexity. It must therefore be based on a strategy that at once allows Muslim Americans to fulfill their zakat obligations and allows the government to fight terrorist financing and the broader war on terror as effectively as possible.
- The material support laws and regulations, including basis provisions for prosecuting material support in the current USA Statute, has yielded widespread political and constitutional criticisms. USA Muslim charities designation was one of the debates especially after the 11th September crisis. The material support statute has repeated amendments in term of the law's key role in the legal response to terrorism. That reforms that would assist both the prosecutor and the donor because they are based on the constitutional debate and its practical implications.

*** List (2011), “The Market for Charitable Giving”.**

- The research aimed to analyze the market for charitable giving in USA by focusing on the development of individuals donations since 1968 until 2005.
- To perform this research, the researcher used a methodology combined of qualitative approach and the secondary data analysis approach depending on different surveys results and formal records in USA regarding donations by individuals.

The main related results were:

- With the increasing charitable gifts and number of registered charities, the market for charitable giving primarily revolves around three major players: Donors (providing the resources to charities), Charities (developing strategies to attract resources), and the government. Government decides (among other issues) on the tax treatment of individual contributions, the level of government grants to various charities, and what public goods/ services to provide itself.

- The tasks that government chooses to take on will affect the tasks that charities choose to embrace. This may occur in one or more of the following forms: Firstly, government can provide services/ aid with charities in complementary manner. Secondly, government can provide grants to charities and the later provide services/ aid to beneficiaries. Thirdly, charities, beyond government funding, can fundraise money to cover services/ aid provided to beneficiaries.
- It is found that a \$1,000 increase in government grants leads to a significant drop in charitable contributions. More specifically, it is reported that charitable contributions decrease by \$772 as a result of reduced fund-raising expenditures, but that the grant actually brings in an additional \$45 because of classic “crowding in” which can be the result of donors viewing the government grant as a positive signal of quality.

The main related recommendations were:

- Any income tax laws / regulations should consider the effect on charity / donation in different circumstances. This can be an actual tool by which governments can encourage donations.
- Many economic facts concerning the charitable market remain unknown. A lot of the areas need to be shown to legislators, provide theorists with empirical facts, and give practitioners useful advice.

*** Hines et. al (2010), “The attack on nonprofit status: a charitable assessment”.**

- This study aimed to assess the nonprofit status in USA and American nonprofit organization’s favorable tax treatment especially with the new hybrid nonprofit/for-profit companies.
- It is a qualitative study that discussed the issue mentioned above.

The main related findings were:

- American nonprofit organizations receive favorable tax treatment, including tax exemptions and tax-deductibility of contributions, in return for their devotion to charitable purposes and restrictions not to distribute profits. Recent efforts to extend some or all of these tax benefits to for-profit companies making social investments, including the creation of the new hybrid nonprofit/for-profit

company form known as the Low-Profit Limited Liability Company, threaten to undermine the vitality of the nonprofit sector and the integrity of the tax system.

- Reform advocates maintain that the ability to compensate executives, based on performance and to distribute profits when attractive investment opportunities are scarce, makes for-profit entities more efficient than nonprofit counterparts. Offering more favorable tax treatment to for-profits engaging in charity would encourage greater charitable entrepreneurship, the argument goes, and provide worthwhile competition for the nonprofit sector.
- The existing nonprofit sector is extremely competitive, and the charitable activities of for-profits already receive favorable tax treatment. Going further and offering socially active for-profits the tax benefits, equivalent to those available currently to nonprofits, would create opportunities for tax arbitrage by providing tax deductions to high-bracket donors and taxable income for lightly taxed recipients. The difficulty of policing lines between nonprofit and for-profit activities of the same business entities would entail significant administrative complexity and is unlikely ultimately to succeed.

*** Morestin et al. (2009), “Criteria and processes for identifying the poor as beneficiaries of programmes in developing countries”.**

- This study aimed to explore the identification criteria, process for defining criteria, and process for identifying the poor and needy as they are the beneficiaries of aid programmes everywhere especially in developing countries.
- To perform this research, the researcher used a methodology combined of qualitative approach and the secondary data analysis approach depending on different surveys results and formal records related to developing countries, mainly in Africa. A systematic review, of all literature on identification of the poor in developing countries published between 1991 and 2008, surveyed 68 experiences to identify poverty criteria.

The main related findings were:

- Identification criteria : They were categorized into 11 dimensions of poverty as follows: possession of goods and means of production, household composition, income, condition of dwelling, occupational status, food security, health status,

education, access to basic services and to credit, expenses, physical appearance and clothing. The selected criteria had to reflect the conditions of poverty in a given context, cover different aspects of poverty, specific, measurable, easily verifiable in the field, and socially acceptable.

- Process for defining criteria : Whether the process is administrative and/or community-based, It is likely that using a more participative process of criteria identification will make them more socially acceptable.
- Process for identifying the poor : Identification should not be entrusted to actors who are in a conflict of interest. Identification processes that involve many actors are generally more effective because they allow for a second validation. Of course, a balance must be struck between having more actors involved and the costs of identification; but it appears that involving communities can reduce costs and produce effective results when they are supported in their task and their choices are validated afterward. It is important to find the balance between administrative and community involvement that best responds to these concerns.
- In conclusion, no strategy for identifying the poor is perfect. The successes observed even in low-income countries have more to do with the attention paid to the implementation process. It is essential to experiment and to adapt to changing circumstances while evaluating the effectiveness of the identification.

2.8.3 Relationship with the Previous Studies

After reviewing the previous studies and other references, a lot of useful ideas participated in this research especially in making literature review and commenting on data analysis & results.

It is obvious that the previous studies talked about different aspects related, to some extent, to this study. Some of them highlighted on some points of charities governance and activities such as the studies conducted by Al-Dahnon (2013), El-Helo (2012), Al-Allol (2011), Al-Mashharawi (2009), Al-Buhaisy (2009), Elewa (2007), Al-Moa'ayat et al. (2007), Awad (2006), Harding, Matthew (2013), Reiser (2011), and Morestin et al. (2009).

Al-Mashharawi (2009), Al-Buhaisy (2009), Awad (2006), and Sharaf (2005)'s research interested on some substances related to accounting and financial procedures.

But Abu Maria (2012), Al-Buhaisy (2009), and Elewa (2007)'s mentioned some matters related to HR management processes.

Regarding fundraising, it has been focused on by a group of studies like El-Helo (2012), Al-Allo1 (2011), Al-Mashharawi (2009), Sharaf (2005), Brooks (2013), Marx (2012), Reiser (2011), Freedman (2011), List (2011), and Hines et. al, (2010).

The previous studies mentioned are useful but they focuses on only one side of the charities work aspects. In this research, the researcher believe that this study (effect of laws and regulations on charities work in the Gaza Strip) can be distinguished as it focuses on the Palestinian charities environment in the Gaza Strip and also highlights on the four major work aspects (charities governance and activities, accounting and financial procedures, HR management processes, and fundraising) at the same time. This makes this study more comprehensive and specialized in different aspects of charities.

Chapter 3

Methodology

Chapter (3): Methodology

3.1 Introduction

This chapter describes the methodology used in this research. The adopted methodology to accomplish this study used the techniques and procedures as follows in details.

The first part of this chapter (sections 3.2 and 3.3) presented the research design and data collection method.

The second part (sections 3.4, 3.5, and 3.6) illustrated the procedures and steps of verifying the questionnaire content, its content validity, and the pilot study conducted.

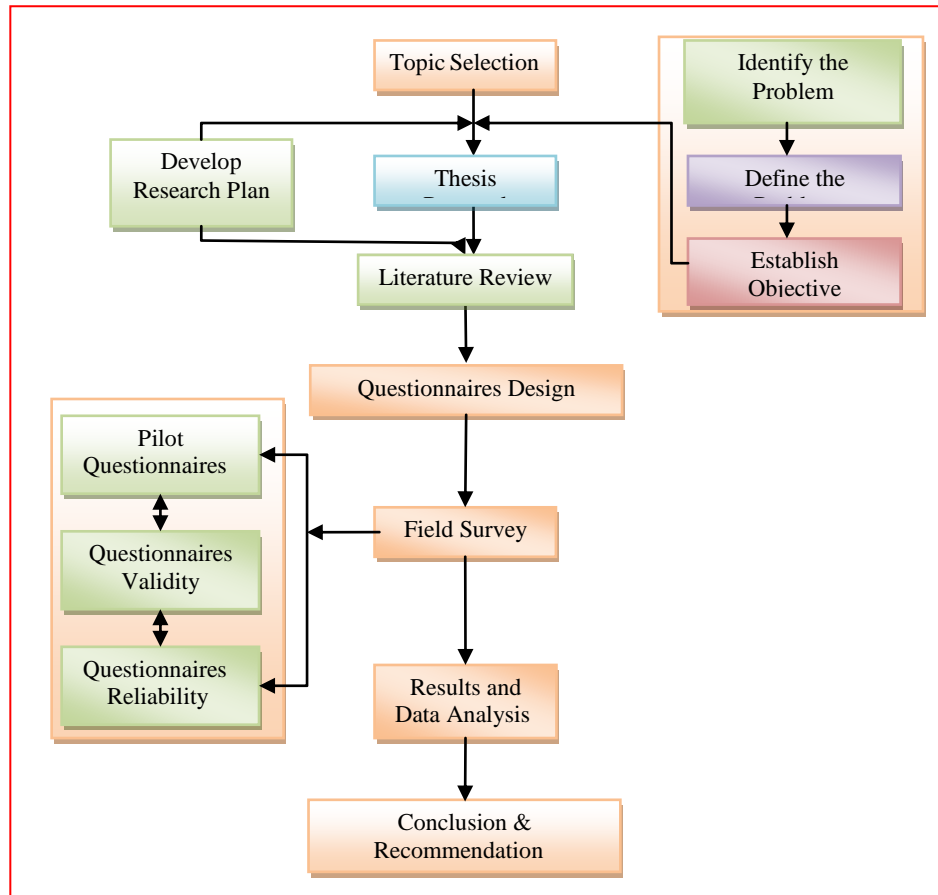
The third part (sections 3.7 to 3.9) talked about the statistical validity and reliability of the questionnaire. The statistical validity of the questionnaire included criterion-related validity and structure validity of the Questionnaire. The reliability of the research included using Half Split Method and Cronbach's Coefficient Alpha Method. The other used statistical methods are mentioned in the end of this chapter.

3.2 Research Design

The first phase of this research included identifying and defining the problems and objectives of the study and developing the research plan. The second phase of the research included summarizing the comprehensive literature reviewed with regard to charity-related laws and regulations in addition to charities work key aspects. The third phase was developing and refereeing a questionnaire which has been tested through the pilot study; the purpose of the pilot study was to test and prove that the questionnaire questions are clear to be answered in a way that help to achieve the target of the study. The fifth phase of the research focused on distributing the questionnaires to collect the required data in order to achieve the research objective. A one hundred questionnaires were distributed to the research population and eighty three questionnaires are received. The sixth phase of the research was data analysis and discussion. Statistical Package for the Social Sciences (SPSS) was used to perform the required analysis. The final phase includes setting the conclusion and recommendations.

Figure (3.1) shows the methodology flowchart, which leads to achieve the research objective.

Figure (3.1): A diagram illustrates the methodology flow chart



Source: designed by the researcher after reviewing different references

3.3 Data Collection Method

➤ **Methodology:**

The researcher will use descriptive analytical approach in order to study the effect of Laws and Regulations on charities work in the Gaza Strip. It is a census study.

➤ **Data Collection Resources:**

- Primary resources: the primary information will be collected by using the main tool of the study which is a questionnaire, which will be designed to serve the goals of the study and distributed on a population of charities in the Gaza Strip.
- Secondary resources: they could be represented in books, studies, periodicals, and leaflets related to the research.

➤ **Data Types**

- Quantitative data: questionnaires to be filled by charities in Gaza Strip.
- Qualitative data: interviews with key informants such as specialists, experts, etc.

➤ **Population and Sampling**

There are 899 registered charities in Gaza Strip (824 of them are local and the other 75 are branches of foreign charities) according to the following statistics from Ministry of Interior – Charities Department:⁴³

Table (3.1): Registered charities in the Gaza Strip according to their geographical distribution

No.	Geographical area	Number of registered charities	Percentage
1	North	131	%14.57
2	Gaza	511	%56.84
3	Middle	89	%9.90
4	Khanyunes	97	%10.79
5	Rafah	71	%7.90
Total		899	%100.00

Source: Ministry of Interior – Charities Department, 2014

Table (3.2): registered charities in the Gaza Strip according to the total annual expenditures for the year 2012

No.	Total Annual expenditures for the year 2012	Number of charities	Percentage
1	Greater than US\$ 230,000	100	%11.12
2	Less than US\$ 230,000	799	%88.88
Total		899	%100.00

Source: Ministry of Interior – Charities Department, 2014

⁴³ Ministry of Interior – Charities Department, 2014.

There are 899 registered charities in Gaza Strip according to the statistics of Ministry of Interior – Charities Department. The study population was the largest 100 active biggest charities, in term of their expenditures during the year 2012, whose total expenditures for each of them in 2012 exceeded US\$ 230,000. It is worth to mention that the total expenditures for all the 100 charities together exceeded about 90% of the total registered charities' expenditures according to Charities Department - Ministry of Interior.

➤ **Inclusion Criteria**

The respondents, who fill the questionnaires, were chairmen of the boards, treasurers, members of the boards of directors, managers, accountants,etc. It was considered the he/ she is a person whose job nature requires dealing with charity-related laws and regulations.

➤ **Response Rate**

The researcher visited the study population (100 charities), asked them to fill one copy of the questionnaire, and the researcher clarified any points/ questions raised by the respondents. The response rate was as follows:

- Local charities: the response rate was 86% (64 of 74).
- Branches of foreign charities: the response rate was 73% (19 of 26).
- The overall response rate was 83%.

3.4 Questionnaire Content

The questionnaire was provided (to the study population) with cover letter explaining the purpose of the study and the security of the information in order to encourage a high response. The questionnaire included four groups questions distributed on major four fields (charities work aspects) to collect all the necessary data that can support the discussion, results, and recommendations of the research.

The sections in the questionnaire will verify the objectives in this research related to effect of laws and regulations on the biggest charities work in the Gaza Strip as the following:

1. Effect of laws and regulations on charities governance and activities: consist of 13 questions.

2. Effect of laws and regulations on accounting and financial procedures: consist of 10 questions.
3. Effect of laws and regulations on HR management processes: consist of 14 questions.
4. Effect of laws and regulations on fundraising: consist of 10 questions.

And all questions follows scale consist from 1 -10 as the following:

Level	Strongly Disagree	←————→	Strongly Agree
Scale	1	←————→	10

3.5 Content Validity of the Questionnaire

Validity of a tool is a determination of the extent to which the instrument actually reflects the abstract construct being examined. High validity is the absence of systematic errors in the measuring tool. When the tool is valid; it truly reflects the concept it is supposed to measure. Achieving good validity required the care in the research design and population selection.

Content validity test aims to see if the questionnaire is valid and suitable enough to measure the concept of interest. The questionnaire has been reviewed by 13 qualified referees who have a wide knowledge and experience in related fields. All notes have been considered and the necessary amendments and improvements have been done to make the questionnaire valid and suitable enough to achieve its purpose. Appendix A illustrates the questionnaire draft and appendix B illustrates the final questionnaire according to the notes of the referees.

3.6 Pilot Study

A pilot study for the questionnaire was conducted before collecting the results of the whole population. The pilot sample was 30 questionnaire distributed and returned. It provides a trial run for the questionnaire, which involves testing the wordings of

question, identifying ambiguous questions, testing the technique that used to collect data, and measuring the effectiveness of standard invitation to respondents.

The pilot study's result proved that the questionnaire is suitable to be used. There is no amendments on the questionnaire according to the pilot study. Accordingly, the filled 30 questionnaires have been added to the whole population.

3.7 Statistical Validity of the Questionnaire

To insure the validity of the questionnaire, two statistical tests should be applied. The first test is Criterion-related validity test (Pearson test) which measure the correlation coefficient between each item in the field and the whole field. The second test is structure validity test (Pearson test) that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one filed and all the fields of the questionnaire that have the same level of similar scale.

3.7.1 Criterion Related Validity :

Internal consistency:

Internal consistency of the questionnaire is measured by a scouting sample, which consisted of thirty questionnaires, through measuring the correlation coefficients between each paragraph in one field and the whole filed. Tables No. (3.3-3.6) below show the correlation coefficient and p-value for each field items. As show in the table the p- Values are less than 0.05 or 0.01,so the correlation coefficients of this field are significant at $\alpha = 0.01$ or $\alpha = 0.05$, so it can be said that the paragraphs of this field are consistent and valid to be measure what it was set for.

Table (3.3): The correlation coefficient between each paragraph in the field and the whole field (Effect of laws and regulations on charities governance and activities)

No.	question	Pearson coefficient	p-value
1	The Charities Law gives the right of establishing charities easily.	0.447	0.013
2	The Charities Law offers convincing excuses and mechanisms in case of rejecting charities' registration or	0.498	0.005

	stopping their work.		
2	The Charities Law offers the freedom of practicing various forms of civic activities uninterrupted.	0.510	0.004
4	Dedicating a specialized ministry for following up charities work provides more flexibility, speed, and specialization by which serving public benefit.	0.436	0.016
5	The Charities Law requires setting clear objective criteria for beneficiaries' selection through the charity's trust deed.	0.597	0.000
6	The Charities Law contains clear standards for documenting dealings and administrative reports of charities.	0.618	0.000
7	The Charities Law clarifies privileges, responsibilities, and roles of the general assembly and board of directors by which achieving work effectiveness.	0.446	0.014
8	The Charities Law clarifies criteria, qualifications, and requirements related to boards of directors.	0.563	0.001
9	The voluntary members of boards, without any material reward, contribute in strengthening their roles in charities management.	0.705	0.000
10	The Charities Law clearly regulates relationship between board of directors and executive team for the benefit of work.	0.903	0.000
11	The Charities Law gives sufficient privilege to the executive management in carrying out their duties and responsibilities.	0.728	0.000
12	The possibility for charities to bunch in unions and associations gives more opportunities for cooperation, coordination, and getting integrated among them.	0.603	0.000
13	The Charities Law contributes obviously in enhancing cooperation between charities and governmental bodies.	0.698	0.000

Table (3.4): The correlation coefficient between each paragraph in the field and the whole field (Effect of laws and regulations on accounting and financial procedures)

No.	question	Pearson coefficient	p-value
1	The financial regulations affects positively controlling of contracting and purchasing procedures in charities.	0.632	0.000

2	The direct contracting during emergencies – mentioned in the financial regulations – facilitates the speed of implementing urgent projects.	0.405	0.026
2	The financial regulations in charities assists in facilitating accounting and financial procedures.	0.802	0.000
4	The financial regulations in charities assists in controlling accounting and financial procedures, budgeting, and financial reporting.	0.834	0.000
5	The financial regulations in charities enforces balancing employees’ retirement social securities within charities’ financial statements.	0.674	0.000
6	The financial regulations in charities enforces listing employees’ retirement social securities within charities and projects’ budgets.	0.486	0.007
7	Charities are committed to deducting income tax of employees’ salaries to be paid to the competent authority.	0.685	0.000
8	The financial regulations in charities requires creating a suitable framework for internal control with independency and neutralism.	0.791	0.000
9	Requiring auditing of charity’s accounts, by external auditor, contributes in controlling and improving accounting and financial works.	0.415	0.023
10	The financial regulations in charities determines tasks required from the financial external auditor.	0.729	0.000
11	The role of monitoring bodies (like Ministry of Interior and Administrative & financial monitoring council) contributes in controlling charities’ financial affairs.	0.439	0.015

Table (3.5): The correlation coefficient between each paragraph in the field and the whole field (Effect of laws and regulations on HR management processes)

No.	question	Pearson coefficient	p-value
1	The financial regulations positively affect controlling employees’ recruitment procedures and criteria.	0.423	0.020
2	The conflict of interest items – mentioned in the financial regulations – ensures transparency of employees’ recruitment.	0.565	0.001
2	Charities are committed to recruiting, at least, 5% of people with disabilities amongst their staff – according to	0.689	0.000

	the Labor Law.		
4	Charities are committed to non-discrimination between males and females in term of recruitment.	0.589	0.001
5	Charities are committed not to exceed trial and limited contracting periods mentioned in the Labor Law.	0.778	0.000
6	The financial regulations affect positively employees' compensation procedures and scales of salaries.	0.704	0.000
7	The Labor Law enhances employees' commitments and control within charities.	0.722	0.000
8	Both of charities and employees care about performance appraisal to avoid the issue of abusive termination.	0.617	0.000
9	Charities are committed to employees' rights in terms of work hours, leaves, compensations, overtime, workers injuries compensation, discount limits, and etc. as mentioned in the Labor Law.	0.502	0.005
10	The charities commitment of employees' rights – mentioned above –has a positive effect on charities' work.	0.679	0.000
11	Contract parties (charity and employee) are committed to advance notice before work termination.	0.623	0.000
12	The Labor Law supports employees in case of any conflict related to their services termination.	0.666	0.000
13	The Labor Law ensures for employees the ease and speed of obtaining their dues from charities in the event of a dispute over their rights.	0.607	0.000
14	Charities avoid terminating any employee abusively to avoid financial loss.	0.818	0.000

Table (3.6): The correlation coefficient between each paragraph in the field and the whole field (Effect of laws and regulations on fundraising)

No.	question	Pearson coefficient	p-value
1	The law allows and encourages charities to expand fundraising expansion.	0.803	0.000
2	The law encourages charities to establish income-generating investment projects.	0.645	0.000
2	The law ensures the right for charities to receive aids and raise donations.	0.635	0.000
4	The Charities Law assures the right for foreign charities to	0.680	0.000

	establish field branches to work in the Palestinian territories without complications.		
5	The fair recruitment of employees, according to the financial regulations procedures, helps in enhancing fundraising in charities.	0.696	0.000
6	Applying financial regulations strengthens donors' confidence and fundraising in charities.	0.800	0.000
7	Charities derive benefits from VAT exemption for most projects funded by external donors.	0.675	0.000
8	Conditions and procedures of obtaining VAT exemption are easy and encouraging for charities.	0.842	0.000
9	Being exempted from taxes and customs fees, charities are positively affected in terms of maintaining their income and expenditures.	0.663	0.000
10	There is a positive effect on charities in terms of encouraging companies (tax payers); taxes are applied to the remaining net income in the event of donating to charities – donations are up to 20% of the net income.	0.651	0.000

3.7.2 Structure Validity of the Questionnaire

Structure validity is the second statistical test that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level.

As shown in table No. (3.6), the significance values are less than 0.01, so the correlation coefficients of all the fields are significant at $\alpha = 0.01$, so it can be said that the fields are valid to be measured what it was set for to achieve the main aim of the study.

Table (3.7): Structure validity of the questionnaire

Number	section	Pearson correlation coefficient	p-value
1	Effect of laws and regulations on charities governance and activities (aid/ services/ advocacy)	0.838	0.000
2	Effect of laws and regulations on accounting and financial procedures	0.887	0.000
3	Effect of laws and regulations on HR management processes	0.852	0.000

4	Effect of laws and regulations on fundraising	0.667	0.000
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3.8 Reliability of the Research

Reliability of an instrument is the degree of consistency with which it measures the attribute it is supposed to be measuring . The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient. For the most purposes reliability coefficient above 0.7 are considered satisfactory. Period of two weeks to a month is recommended between two tests due to complicated conditions that the consumer is facing at the time being, it was too difficult to ask them to responds to our questionnaire twice within short period. The statistician's explained that, overcoming the distribution of the questionnaire twice to measure the reliability can be achieved by using Kronpakh Alpha coefficient and Half Split Method through the SPSS software.

3.8.1 Half-Split Method

This method depends on finding Pearson correlation coefficient between the means of odd rank questions and even rank questions of each field of the questionnaire. Then, correcting the Pearson correlation coefficients can be done by using Spearman Brown correlation coefficient of correction. The corrected correlation coefficient (consistency coefficient) is computed according to the following equation:

Consistency coefficient = $2r/(r+1)$, where r is the Pearson correlation coefficient. The normal range of corrected correlation coefficient $2r/(r+1)$ is between 0.0 and + 1.0 As shown in Table No.(3.8), and the general reliability for all items equal 0.8503, and the significant (α) is less than 0.05 so all the corrected correlation coefficients are significance at $\alpha = 0.05$. It can be said that according to the Half Split method, the dispute causes group are reliable.

Table (3.8): Half-Split Coefficient method

Number	section	person-correlation	Spearman-Brown Coefficient	Sig. (2-Tailed)
1	Effect of laws and regulations on charities governance and	0.7115	0.8314	0.0000

Number	section	person-correlation	Spearman-Brown Coefficient	Sig. (2-Tailed)
	activities (aid/ services/ advocacy)			
2	Effect of laws and regulations on accounting and financial procedures	0.7354	0.8475	0.0000
3	Effect of laws and regulations on HR management processes	0.7056	0.8274	0.0000
4	Effect of laws and regulations on fundraising	0.8015	0.8898	0.0000
Total sections		0.7396	0.8503	0.0000

3.8.2 Cronbach's Coefficient Alpha

This method is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. As shown in Table No. (3.9) the Cronbach's coefficient alpha was calculated. The general reliability for all items equal 0.8892. This range is considered high; the result ensures the reliability of the questionnaire.

Table (3.9): Reliability Cronbach's Alpha

Number	section	No. of Items	Cronbach's Alpha
1	Effect of laws and regulations on charities governance and activities (aid/ services/ advocacy)	13	0.8475
2	Effect of laws and regulations on accounting and financial procedures	11	0.8607
3	Effect of laws and regulations on HR management processes	14	0.8472
4	Effect of laws and regulations on fundraising	10	0.9014
Total sections		48	0.8892

3.9 Statistical Methods:

To achieve the research goal, researcher used the statistical package for the Social Science (SPSS) for manipulating and analyzing the data.

Statistical methods are as follows:

- Frequencies and Percentile.
- Alpha- Cronbach Test for measuring reliability of the items of the questionnaires.
- Person correlation coefficients for measuring validity of the items of the questionnaires.
- spearman –Brown Coefficient.
- one sample t test.
- independent samples t test for the difference between means of two independent samples.
- one way ANOVA test for the difference between means three samples or more.
- Scheffe test for Multiple Comparisons.

Chapter 4

Data Analysis and Discussion

Chapter (4): Data Analysis and Discussion

4.1 Introduction

After using SPSS for analyzing the data collected regarding opinion of respondents towards effect of charity-related laws and regulations on charities work in the Gaza Strip, this chapter aims to present data analysis outputs and to discuss these outputs.

In the first part of this chapter (section 4.2), One Sample K-S Test was used to identify if the data follows normal distribution or not in order to select the suitable tests.

The second part of this chapter (sections 4.3 and 4.4) shows and comments on the outputs related to the personality traits and organizational attributes.

The third part of this chapter (section 4.5) focuses on testing the hypotheses of this research. It illustrates and comments on the outputs of the four sections of the questionnaire and the differences referring to the personality traits and organizational attributes. The comments includes some explanations, previous studies related opinions, and the interviewees' points of views.

4.2 One Sample K-S Test

One Sample K-S test will be used to identify if the data follows normal distribution or not. This test is considered necessary in case of testing hypotheses as most parametric test stipulate data to be normality distributed and this test used when the size of the sample are greater than 50.

Results test as shown in table (4.1) , clarifies that the calculated p-value is greater than the significant level which is equal 0.05 (p-value. > 0.05), this in turn denotes that data follows normal distribution, and so parametric tests must be used.

Table (4.1): One Sample K-S

Number	section	items No.	Statistic	P-value
1	Effect of laws and regulations on charities governance and activities (aid/ services/ advocacy)	13	1.309	0.065
2	Effect of laws and regulations on accounting and	11	0.888	0.409

Number	section	items No.	Statistic	P-value
	financial procedures			
3	Effect of laws and regulations on HR management processes	14	0.635	0.815
4	Effect of laws and regulations on fundraising	10	0.903	0.388
Total		48	0.786	0.567

4.3 Personality Traits:

1. Job Title

Table (4.2): Job Title

Job Title	Frequency	Percentages
Chairman of the Board	8	9.6
Treasurer	2	2.4
Member of the Board of Directors	2	2.4
Manager	35	42.2
Accountant	19	22.9
Other	17	20.5
Total	83	100.0

- Table No.(4.2) shows that 9.6% of the population's job title are "Chairman of the Board ", 2.4% are "Treasurer", and 2.4% are "Member of the Board of Directors", 42.2% are "Manager" , 22.9% are "Accountant", and 20.5% are "Other".
- Only 14.4% are trustees of the charities. This is expected as they are volunteers who have not daily attendance; they often attend to charities for trustees meetings, signatures, or following up other certain matters.
- 65.1% are managers and accountants who often have full time in the charities. Maybe they are the best persons to fill the questionnaire as they are dealing with charity-related laws and regulations during their daily operations.
- “Other” means different job titles such as projects coordinator, programmes coordinator, programme coordinator,etc.

2. Gender

Table (4.3): Gender

Gender	Frequency	Percentages
Male	64	77.1
Female	19	22.9
Total	83	100.0

- Table No.(4.3) shows that 77.1% of the population are "male" and 22.9% of the population are "female".
- It is clear that there is a good participation (22.9%) from the Palestinian women in the charities as a main part of the civil society. According to the Palestinian labor market statistics in 2013, the percentage of women to the total workforce is 17.4%.⁴⁴
- This result approaches the result of El-Helo (2012) study which mentioned that the Palestinian women participation is 23.8%.⁴⁵ The researcher believed that the proportion of women in NGO's workforce is more than such results, but there is a shortage of the women existence in the senior positions in the charities.

3. Respondents Age in years

Table (4.4): Age in years

Age in years	Frequency	Percentages
19 to 24 years	5	6.0
25 to 29 years	25	30.1
30 to 34 years	13	15.7
35 to 39 years	12	14.5
40 to 49 years	16	19.3
50 years or older	12	14.5
Total	83	100.0

⁴⁴ The Central Bureau for Palestinian Statistic, 2013.

⁴⁵ El-Helo, A. (2012), "Role of Applying Good Governance Principles in Gaza Strip NGO's in Achieving Sustainable Development", Master Thesis. Gaza: Islamic University – Gaza.

- Table No.(4.4) shows that 6.0% of the population's age in years are "19 to 24 years" , 30.1% ages "25 to 29 years " , 15.7% ages "30 to 34 years", 14.5% ages "35 to 39 years " , 19.3 % ages "40 to 49 years", and 14.5 % ages "50 years or older".
- It is obvious that only 6.0% of the population's age in years are "19 to 24 years". This agrees with the point of high experience level among the respondents.
- As 66.3% of the respondents are youth (under 40 years), youth category has a good participation in the management of charities.

4. Years of Experience

Table (4.5): Years of experience

Years of Experience	Frequency	Percentages
Less than 5 years	16	19.3
5 to less than 10 years	23	27.7
10 to less than 15 years	20	24.1
15 years or older	24	28.9
Total	83	100.0

- Table No.(4.5) shows that 19.3% of the population's experience in years are "Less than 5 years", 27.7% "5 to less than 10 years", 24.1 % "10 to less than 15 years", and 28.9% "15 years or older".
- The mentioned figures are consistent with those mentioned in table No 4.4 (age in years).
- 80.7% of the respondents have experience years greater than 5 years. This is an indication of the good experience among charities teams. This is expected in the Palestinian charities that are working essential role in the Palestinian community.

5. Scientific Qualification

Table (4.6): Scientific Qualification

Scientific Qualification	Frequency	Percentages
Bachelor	56	67.5
Postgraduate	20	24.1
Professional Graduate Certificate	7	8.4
Total	83	100.0

- Table No.(4.6) shows that 67.5% of the population's scientific qualification are "Bachelor", 24.1% are "Postgraduate", and 8.4% are "Professional Graduate Certificate".
- All of the respondents are educated and there is no diploma or lesser holders. This means they are qualified and have high skills.
- As 32.5% of them are holding postgraduate or Professional Graduate qualifications, this is a significant figure indicate the interest of this category of charities team to develop their skills and knowledge.

4.4 Organizational Attributes

1. Charity's Headquarter

Table (4.7): Charity's Headquarter

Charities Headquarter	Frequency	Percentages
North Gaza Governorate	7	8.4
Gaza Governorate	59	71.0
Middle Governorate	7	8.4
Khanyunes Governorate	7	8.4
Rafah Governorate	3	3.6
West Bank	0	0.0
Total	83	100.0

- Table No.(4.7) shows that 8.4% of charities headquarters in "North", 66.3% in "Gaza", 10.8% in "Middle", 10.8% in "Khanyunes", and 3.6% in "Rafah".
- It is noticed that a lot of charities (71.0%) concentrates in Gaza, including the foreign branches. The reason is that Gaza is major city of the Gaza Strip which contains the highest populations and the headquarters of governmental bodies, banks, and other facilities.

2. Charity's Years of Inception (since establishment)

Table (4.8): Charity's Years of Inception

Charity's Years of Inception	Frequency	Percentages
3 to less than 7 years	14	16.9
7 to less than 10 years	10	12.0

10 Years or older	59	71.1
Total	83	100.0

- Table No.(4.8) shows that 16.9% of the charities' years of inception are "3 to less than 7 years", 12.0% are "7 to less than 10 years", 71.1% are "10 Years or older".
- As the first 3 years of inception can be described as a growth phase for any organization, all of the respondents (the major 100 charities) have years since inception more than 3.
- Most of the respondents (83.1%) established before 7 years, in other words, before the Palestinian division 2007. This indicates that the Palestinian division negatively affects on charities work especially with the decisions and procedures taken by the Palestinian Monetary Authority. For example, banks refused to open bank accounts for new charities established in the Gaza Strip after the Palestinian division.
- Al-Dahnon (2013) sees that the Palestinian division in 2007 caused a setback for the human rights situation, especially the right to form associations and their work freedom. The dominated authorities intervened in the political situation and in work of associations, judiciary and legislation. It is highly recommended to eradicate the Palestinian internal division.⁴⁶

3. Charity Type

Table (4.9): Charity Type

Charity Type	Frequency	Percentages
Local	64	77.1
Branch of a Foreign Charity	19	22.9
Total	83	100.0

- Table No.(4.9) shows that 77.1 % from the Charities Type are " Local " , and 22.9% are " Foreign Branch " .

⁴⁶ Al-Dahnon, W. (2013), "Review on Three Judgments Issued by the Supreme Justice Court in Gaza regarding Charitable Associations". Gaza: Al-Dameer Association for Human Rights.

- The study population contains 26 branches of foreign charities and the respondents of them are 19 (73%). It is logic to see 22.9% of all respondents are branches of foreign charities because the study population are the major 100 charities in term of annual expenditures for the year 2012.

4. Number of employees

Table (4.10): Number of employees

Number of employees	Frequency	Percentages
Less than 5 employees	9	10.8
5 to less than 10 employees	18	21.7
10 to less than 20 employees	13	15.7
20 to less than 50 employees	9	10.8
50 to less than 100 employees	15	18.1
100 or greater	19	22.9
Total	83	100.0

- Table No.(4.10) shows that 10.8% of the charities employees numbers are "Less than 5 employees", 21.7% are "5 to less than 10 employees", 15.7% are "10 to less than 20 employees", 10.8% are "20 to less than 50 employees", 18.1% are "50 to less than 100 employees", and 22.9% are "100 or greater".
- Although the study population are the major 100 charities in term of annual expenditures for the year 2012, it is obvious that about half of the charities (48.2%) have staff less than 20 employees. So, the bigger annual expenditures do not necessarily mean greater number of employees. This may refer to the following:
 - The nature of projects; implementing some projects (like construction or providing supplies) depends on tendering procedures and do not require a lot of human resources.
 - 26% of the study population (19% of the respondents) are branches of foreign charities who are working as donors and implementing their projects by providing funds to local partners.

5. Charity's Average Annual Expenditures

Table (4.11): Charity's Average Annual Expenditures

Charities' average annual expenditures	Frequency	Percentages
230,000 to less than 250,000 US\$	8	9.6
250,000 to less than 500,000 US\$	12	14.5
500,000 to less than 1,000,000 US\$	13	15.7
1,000,000 to less than 3,000,000 US\$	28	33.7
3,000,000 US\$ or greater	22	26.5
Total	83	100.0

- Table No.(4.11) shows that 9.6 % of the Charities' average annual expenditures are "Less than 250,000 US\$", 14.5% are "250,000 to less than 500,000 US\$", 15.7 % are "500,000 to less than 1,000,000 US\$", 33.7 % are "1,000,000 to less than 3,000,000 US\$" , and 26.5 % are "3,000,000 US\$ or greater".
- The ranges of annual expenditures mentioned above are approximately around the ranges of the information received from Charities Department – Ministry of Interior.
- Regarding the branches of foreign charities (who are working as donors), their annual expenditures includes projects funds provided to the local partners. This means that there is a duplication in these data.

4.5 Hypotheses Test and Discussion

The following pages will illustrate the result of using a one sample t test to test if the opinion of the respondents in the content of the sentences are positive (weight mean greater than "60%" and the p-value less than 0.05), or the opinion of the respondents in the content of the sentences are neutral (p- value is greater than 0.05), or the opinion of the respondents in the content of the sentences are negative (weight mean less than "60%" and the p-value less than 0.05).

Research Hypothesis

H1: There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (in term of Charities governance and activities, Accounting and Financial procedures, HR management processes, Fundraising) on aspects of charities work.

And this hypotheses is divided into four sub-hypothesis as follows:

H1.1: There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (with regards to Charities governance and activities) on aspects of charities work.

To test the hypothesis, a one sample t test was used and the opinion of the respondents about effect of laws and regulations on charities governance and activities ranked descending according to the weight mean as shown in Table No. (4.12) as follows:

Table (4.12): Effect of laws and regulations on charities governance and activities

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
1	The Charities Law gives the right of establishing charities easily.	6.60	1.981	66.02	2.770	0.007	6
2	The Charities Law offers convincing excuses and mechanisms in case of rejecting charities' registration or stopping their work.	6.45	2.205	64.46	1.842	0.069	8
3	The Charities Law offers the freedom of practicing various forms of civic activities uninterrupted.	7.10	1.743	70.96	5.729	0.000	4
4	Dedicating a specialized ministry for following up charities work provides more flexibility, speed, and specialization by which serving public	7.51	2.020	75.06	6.791	0.000	2

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	benefit.						
5	The Charities Law requires setting clear objective criteria for beneficiaries' selection through the charity's trust deed.	6.25	2.439	62.53	0.945	0.347	10
6	The Charities Law contains clear standards for documenting dealings and administrative reports of charities.	7.08	2.338	70.84	4.224	0.000	5
7	The Charities Law clarifies privileges, responsibilities, and roles of the general assembly and board of directors by which achieving work effectiveness.	7.25	2.368	72.53	4.821	0.000	3
8	The Charities Law clarifies criteria, qualifications, and requirements related to boards of directors.	5.72	2.729	57.23	-0.925	0.358	<u>13</u>
9	The voluntary members of boards, without any material reward, contribute in strengthening their roles in charities management.	6.35	3.090	63.49	1.030	0.306	9
10	The Charities Law clearly regulates relationship between board of directors and executive team for the benefit of work.	5.89	2.807	58.92	-0.352	0.726	<u>12</u>
11	The Charities Law gives sufficient privilege to the executive management in carrying out their duties	6.01	2.671	60.12	0.041	0.967	11

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	and responsibilities.						
12	The possibility for charities, to bunch in unions and associations, gives more opportunities for cooperation, coordination, and getting integrated among them.	7.94	1.720	79.40	10.272	0.000	<u>1</u>
13	The Charities Law contributes obviously in enhancing cooperation between charities and governmental bodies.	6.59	2.170	65.90	2.479	0.015	7
Total		6.67	1.529	66.73	4.008	0.000	

Critical value of t at df "82" and significance level 0.05 equal 1.99

- In item No. (12), the weight mean equal "79.40%" and p-value equal "0.000" (which is less than 0.05), that means the possibility for charities, to bunch in unions and associations, gives more opportunities for cooperation, coordination, and getting integrated among them. This indicates that the Charities Law encourages charities to work together in a networking and collaboration environment in addition to the possibility of being merged or united according to item 23 of the Charities Law. The networking and collaboration environment among charities have a lot of fruitful advantages such as preventing aid/ services duplication, achieving equity among beneficiaries and geographical areas, distributing institutional roles, and enhancing specialization.

This fully agrees with Elewa (2007)'s study which recommended establishing a Zakat council for organizing Zakat collection and disbursement, set needs priorities, trigger networking and coordination among charities using IT integrated databases to prevent duplications, and enhancing specialization.⁴⁷

⁴⁷ Elewa, J. (2007), "Managing and Organizing Zakat, and Their Effect on Limiting Poverty Rate in the Gaza Strip", Master Thesis. Gaza: Islamic University – Gaza.

Al-Baik (2014) emphasized on the importance of coordination among charities especially in the Gaza Strip where limited resources and various needs and priorities. But he mentioned that there are only three registered unions in the Gaza Strip.⁴⁸

- In item No. (10), the weight mean equal "58.92%" and p-value equal "0.726" (which is greater than 0.05), that means the Charities Law does not clearly regulate relationship between board of directors and executive team. It is obvious that there is a clear gap between board of directors and executive teams in a lot of Gaza Strip charities. Some board of directors do not carry out their main responsibilities well in term of strategic planning, overall direction, controlling, monitoring, supervision, resources review, assuring compliance with laws and regulations, ..etc. However, the charity-related laws and regulations focus on the roles and responsibilities of the board without considering the executive team who are exerting the actual effort in the field.

This matches Elewa (2007)'s study which stated there is a clear shortage in strategic planning, HR performance and compensation systems, and specialism among Gaza charities working in Zakat field, from their managers' perspectives.⁴⁹

- In item No. (8) the weight mean equal "57.23%" and p-value equal "0.358" (which is greater than 0.05), that means the Charities Law does not clarify criteria, qualifications, and requirements related to boards of directors. For example, the Charities Law mentions nothing related to educational background, experience type/ years, nor necessary knowledge/ skills as prerequisites for a person to be a trustee in a charity. This is the reason for why some board of directors do not carry out their tasks and responsibilities well.

This highly matches Al-Mashharawi (2009)'s opinion who talked about the need of updating laws to empower the general assemblies and board of Trustees, in addition to

⁴⁸ Al-Baik, Tharwat, Ministry of Interior, Minister's Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

⁴⁹ Elewa, J. (2007), "Managing and Organizing Zakat, and Their Effect on Limiting Poverty Rate in the Gaza Strip", Master Thesis. Gaza: Islamic University – Gaza.

set criteria for board of directors' elections⁵⁰. Also, it agrees with the Al-Buhaisy (2009)'s recommendation related to the high necessity of raising Charities' trustees' awareness towards the Charities Law and particularly the financial aspects.⁵¹ In addition to Sharaf (2005)'s study which emphasized on the need of updating laws to empower the general assemblies and monitoring institutions to carry out their roles and to set minimum qualifications for board of directors.⁵²

Al-Masry (2014) and Nassar (2014) also agreed with this idea as he highlighted on the shortage of some Gaza Strip charities' board of directors in term of carrying out their duties due to lack of necessary knowledge and experience also even among signatories on financial transactions. In addition to that, some of them have not got enough time or effort to follow up the charities they supervise and hence they can be considered for such charities as honor persons only.⁵³

Al-Baik (2014) emphasized that the law requires only two conditions for any Palestinian to be a member in a charity: Firstly, ages 18 years at least. Secondly, being free from any crime or misdemeanor. Conditioning prerequisites (related to education, experience, knowledge, skills,...etc) will restrict one of the main rights in the Palestinian Law; the right for public to establish and manage charities. Accordingly, the lowest rank of point number 8 in the questionnaire results maybe a positive sign (not a negative one) for the Charities Law.⁵⁴

- It is observed that items no. 2, 5, 8, 9, 10, and 11 are insignificant (P-value > 0.05) as they may relate to the respondents' points of views more than being fixed items

⁵⁰ Al-Mashharawi, A. (2009), "Study on Fundraising and Financial Management in Charities", conference paper, Reality of NGO's: prospects and challenges. Gaza: Partners Association for Relief and Development.

⁵¹ Al-Buhaisy, E. (2009), "Assessing Financial Regulations of Gaza Palestinian Charities – Field Explorative Study", conference paper, Reality of NGO's: prospects and challenges. Gaza: Partners Association for Relief and Development.

⁵² Sharaf, J. (2005), "The effect of the financial control and the finance continuity for the civil society organizations (CSOs) in Gaza Strip", Master Thesis. Gaza: Islamic University – Gaza.

⁵³ Al-Masry, Jamil, Tala Abu Ghazala and Co. International, Audit Manager, interview conducted on Tuesday 14th April 2014, 11:00 am., and Nassar, Hassan, Certified auditor and financial expert, interview conducted on Tuesday 15th April 2014, 4:00 am.

⁵⁴ Al-Baik, Tharwat, Ministry of Interior, Minister's Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

or standards in the charities law. However, the overall result of the effect of laws and regulations on charities governance and activities is significant.

- In general, the results for all items of the field (Effect of laws and regulations on charities governance and activities) show that the average mean equal 6.67 and the weight mean equal 66.73 % (which is greater than " 60%") and p- value equal 0.000 (which is less than 0.05), that means charity-related laws and regulations (with regards to Charities governance and activities) affects significantly on aspects of charities work. In term of facilitating, documenting, and controlling charities aspects, this effect is positive, to some extent, due to the possibility to bunch unions and associations, governmental follow up, roles of the general assembly and board of directors, practicing civic activities freedom, documentation and reporting standards, ..etc. But the effect is not a strong as there are still some shortages, maybe in application more than theory in some points, in term of establishing or stopping charities, enhancing cooperation with governmental bodies, absence of material reward for boards, enhancing details and criteria in trust deeds, sufficient privilege to the executive management, boards of directors' qualifications, and their relationship with executive teams.

The mentioned result matches the study conducted by Al-Moa'aqat et al. (2007) which stated that Palestinians laws influencing NGO's are more advanced than a lot of other Arabs NGO's laws as the Palestinians ones included some substantial points related to trust deed, governmental monitoring authorities, files keeping, informing regarding any legal changes, administrative reporting to the local authorities, board of directors' meetings and responsibilities, general assembly forming and responsibilities, ...etc. But there are some shortages in term of corruption and infringements eradication actions, right of public to know about NGO's works, clear necessity of registration rather than licensing, interaction with state, need of publishing information, further detailed regulations regarding boards of directors & general assemblies, ...etc.⁵⁵

In the same context, Al-Allol (2011) emphasized on the need of developing government and legislators' roles in revising and adopting comprehensive laws to

⁵⁵ Al-Moa'aqat, F. et al. (2007), "The Palestinian NGO's Work Accountability – Evaluation Study". Jerusalem: Consolidation for Integrity and Accountability (AMAN).

regulate the electronic environment for charities and their relationships with governmental bodies, activating donors and Ministry of Interior’s roles in supporting, guiding, monitoring, and evaluating the charities’ compliance with codes of conduct, and adopting new administrative and financial reports’ forms for Charities work easier to be understood, evaluated, and utilized in concluding competitive performance classifications.⁵⁶

In a wider context, Reiser (2011) and Freedman (2011)’s study called for adopting charity-related laws and regulations, to be based on the constitutional debate and its practical implications, that can best promote mission accountability by focusing on two essential requirements: Firstly, charities must maintain an other-regarding orientation and must be governed by a group. Secondly, the requirement that a charity must be controlled by a strong and diverse group, rather than by the vision of a single individual, provides a structure for articulating, evaluating and evolving mission internally over time.⁵⁷

H1.2: There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (with regards to Accounting and Financial procedures) on aspects of charities work.

To test the hypothesis, a one sample t test was used and the opinion of the respondents about effect of laws and regulations on Accounting and Financial procedures ranked descending according to the weight mean as shown in Table No. (4.13) as follows:

Table (4.13): Effect of laws and regulations on accounting and financial procedures

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
1	The financial regulations affects positively on controlling of contracting	8.49	1.253	84.94	18.133	0.000	<u>1</u>

⁵⁶ Al-Allol, A. (2011), “Requirements Availability of E-Management Application Success in the Largest Charities in the Gaza Strip, and their impact on institutions’ readiness against corruption”, Master Thesis. Gaza: Islamic University – Gaza.

⁵⁷ Reiser, D. (2011), “Charity Law’s Essentials”, Notre Dame Law Review (Vol. 86:1) and Freedman, M. (2011), “Prosecuting Terrorism: The Material Support Statute and Muslim Charities”, Hastings Constitutional Law Quarterly (Summer 2011, Vol. 38:4). California: University of California.

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	and purchasing procedures in charities.						
2	The direct contracting during emergencies – mentioned in the financial regulations – facilitates the speed of implementing urgent projects.	8.24	1.694	82.41	12.055	0.000	3
3	The financial regulations in charities assists in facilitating accounting and financial procedures.	7.59	1.570	75.90	9.230	0.000	6
4	The financial regulations in charities assists in controlling accounting and financial procedures, budgeting, and financial reporting.	7.88	1.721	78.80	9.951	0.000	4
5	The financial regulations in charities enforces balancing employees' retirement social securities within charities' financial statements.	6.45	2.610	64.46	1.556	0.124	10
6	The financial regulations in charities enforces listing employees' retirement social securities within charities and projects' budgets.	5.71	2.848	57.11	-0.925	0.358	<u>11</u>
7	Charities are committed to deducting income tax of employees' salaries to be paid to the competent authority.	7.59	2.595	75.90	5.584	0.000	7
8	The financial regulations in charities requires creating a suitable	7.28	1.971	72.77	5.902	0.000	8

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	framework for internal control with independency and neutralism.						
9	Requiring auditing of charity's accounts, by external auditor, contributes in controlling and improving accounting and financial works.	8.37	1.590	83.73	13.596	0.000	2
10	The financial regulations in charities determines tasks required from the financial external auditor.	7.13	2.478	71.33	4.164	0.000	9
11	The role of monitoring bodies (like Ministry of Interior and Administrative & financial monitoring council) contributes in controlling charities' financial affairs.	7.87	1.886	78.67	9.023	0.000	5
Total		7.51	1.203	75.09	11.433	0.000	

Critical value of t at df "82" and significance level 0.05 equal 1.99

- In item No. (1) the weight mean equal "84.94%" and p-value equal "0.000" (which is less than 0.05), that means the financial regulations affects positively on controlling of contracting and purchasing procedures in charities. As charities work includes providing aid, services, and advocacy to beneficiaries, contracting and purchasing procedures (with suppliers, contractors, consultants, ...etc) are essential part of charities operations which requires exploiting financial resources properly. The financial regulations issued by Minister of Interior (declare number 61 for the year 2013 regarding the financial affairs in charities) stated clear applicable items for controlling of contracting and purchasing procedures. They

includes financial limits of applying direct purchasing, quotations, and tendering processes.

The mentioned result generally matches the study conducted by Al-Moa'qat et al. (2007) which stated that Palestinians laws influencing NGO's are more advanced than a lot of other Arabs NGO's laws as the Palestinians ones included some substantial points, for enhancing transparency and accountability in charities, such as governmental monitoring authorities, records keeping, financial reporting to the local authorities, conflict of interest among board of directors, controlling financial affairs, auditing, ...etc.⁵⁸

- In item No. (9) the weight mean equal "83.73%" and p-value equal "0.000" (which is less than 0.05), that means requiring auditing of charity's accounts, by external auditor, highly contributes in controlling and improving accounting and financial works. Ministry of Interior, according to the Charities Law and the financial regulations' requirements', do not accept annual financial statements if they are not audited and approved by a registered audit firm.

Sharaf (2005) agrees with this result as his research confirmed that due to the legal enforcement of audit reports and accounting systems and its importance for donors, there is a significant and effective role of external audit firms on the internal financial and administrative regulations and hence on the financial position. The role of internal control systems and control tools is moderate because of absence of related legal enforcement. The role of monitoring institutions (Ministry of Interior and Public Monitoring Council) is limited as they do not practice comprehensive regular monitoring.⁵⁹

- In item No. (6) the weight mean equal "57.11%" and p-value equal "0.358" (which is greater than 0.05), that means the financial regulations in charities does not enforce listing employees' retirement social securities within charities and projects' budgets. According to the Palestinian Labor Law, the employee (who

⁵⁸ Al-Moa'qat, F. et al. (2007), "The Palestinian NGO's Work Accountability – Evaluation Study". Jerusalem: Consolidation for Integrity and Accountability (AMAN).

⁵⁹ Sharaf, J. (2005), "The effect of the financial control and the finance continuity for the civil society organizations (CSOs) in Gaza Strip", Master Thesis. Gaza: Islamic University – Gaza.

worked a year or more) deserves retirement social security equal number of years worked (including decimals) multiplied by last monthly salary value. Listing such compensation, in annual and projects' budgets, is not considered in the financial regulations, despite its importance.

Al-Baik (2014) declared that employees' retirement social securities, according to the financial regulations 2013, are required to be in a branch bank account and to be balanced within charities' financial statements. The regulations mentioned budgeting in general but it is a good idea to clearly consider such compensation in regulations in the future.⁶⁰

- In general, the results of all items of the field (Effect of laws and regulations on accounting and financial procedures) show that the average mean equal 7.51 and the weight mean equal 75.09% (which is greater than "60%") and p-value equal 0.000 (which is less than 0.05), that means charity-related laws and regulations (with regards to accounting and financial procedures) affects significantly on aspects of charities work. For the purpose of facilitating, documenting, and controlling charities' accounting and financial procedures, this effect is positive and relatively due to controlling of contracting and purchasing procedures in charities, role of external auditing, facilitating direct contracting during emergencies, controlling and facilitating accounting procedures, requiring budgeting and financial reporting, the role of monitoring bodies (like Ministry of Interior and Administrative & financial monitoring council), deducting income tax of employees' salaries, creating a suitable framework for internal control and auditing, ..etc. But some points need to be considered more, especially related to employees' retirement social securities; to be balanced within the financial statements and to be listed within charities and projects' budgets.

As this research deals with the financial regulations 2013 (which is more detailed and comprehensive than first ones in 2009), the results disagree with Al-Buhaisy (2009)'s study which stated that none of charities, included in his study sample, has a complete comprehensive internal written financial regulations as Ministry of Interior's financial

⁶⁰ Al-Baik, Tharwat, Ministry of Interior, Minister's Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

regulations are not sufficient; they control less than 50% of the financial work as emphasized by the majority of the sample. In addition to absence of separating work tasks clearly as one of financial performance deficiency, only 29% of the charities , included in study sample, have an accountant: (13% full time and 16% part time) and 69% of them assign accounting tasks to their external auditors. This may increase possibilities of undiscovered mistakes, manipulation, fraud.⁶¹

Also, Awad's study occurred in 2006 (before issuing first financial regulations in 2009) saw that considerable parts of NGO's maintain records by a certified accountant and carry out audit upon the request of donor agencies. The study concluded lack of official supervision by national bodies and the need for updating of relevant laws and regulations: to enhance Ministry of Interior and Public Monitoring Council's roles in monitoring and controlling NGO's financial activities and performance, submit an annual audited report to its general assembly, and obligate NGO's to employ full / part time accountants for keeping financial books and records, contract with external financial auditor, and publish their audited financial statements via their websites.⁶²

Al-Masry (2014) agrees with this idea of significant effect on accounting and financial procedures as they are considered a focal of any institutional work. Creating a suitable framework for internal control and auditing is important for monitoring such procedures. But he focuses on the shortage of some Board of Directors' knowledge and experience especially in the accounting and financial field.⁶³

H1.3 There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (with regards to HR management processes) on aspects of charities work.

⁶¹ Al-Buhaisy, E. (2009), "Assessing Financial Regulations of Gaza Palestinian Charities – Field Explorative Study", conference paper, Reality of NGO's: prospects and challenges. Gaza: Partners Association for Relief and Development.

⁶² Awad, A. (2006), "Demand on Audit in Local Non-Governmental Organizations (NGOs) in Gaza Strip.", Master Thesis. Gaza: Islamic University – Gaza.

⁶³ Al-Masry, Jamil, Tala Abu Ghazala and Co. International, Audit Manager, interview conducted on Tuesday 14th April 2014, 11:00 am.

To test the hypothesis, a one sample t test was used and the opinion of the respondents about effect of laws and regulations on HR management process ranked descending according to the weight mean as shown in Table No. (4.14) as follows:

Table (4.14): Effect of laws and regulations on HR management process

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
1	The financial regulations positively affect controlling employees' recruitment procedures and criteria.	6.72	2.227	67.23	2.957	0.004	7
2	The conflict of interest items – mentioned in the financial regulations – ensures transparency of employees' recruitment.	6.99	2.104	69.88	4.278	0.000	6
3	Charities are committed to recruiting, at least, 5% of people with disabilities amongst their staff – according to the Labor Law.	4.08	2.670	40.84	-6.537	0.000	14
4	Charities are committed to non-discrimination between males and females in term of recruitment.	6.16	2.865	61.57	0.498	0.620	11
5	Charities are committed not to exceed trial and limited contracting periods mentioned in the Labor Law.	5.92	2.781	59.16	-0.276	0.783	13
6	The financial regulations affect positively employees' compensation procedures and scales of salaries.	6.58	2.369	65.78	2.224	0.029	8
7	The Labor Law enhances employees' commitments	6.35	2.194	63.49	1.451	0.151	9

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	and control within charities.						
8	Both of charities and employees care about performance appraisal to avoid the issue of abusive termination.	6.17	2.088	61.69	0.736	0.464	10
9	Charities are committed to employees' rights in terms of work hours, leaves, compensations, overtime, workers injuries compensation, discount limits, and etc. as mentioned in the Labor Law.	6.10	2.588	60.96	0.339	0.735	12
10	The charities commitment of employees' rights – mentioned above –has a positive effect on charities' work.	7.98	1.880	79.76	9.573	0.000	1
11	Contract parties (charity and employee) are committed to advance notice before work termination.	7.24	2.093	72.41	5.402	0.000	5
12	The Labor Law supports employees in case of any conflict related to their services termination.	7.64	1.858	76.39	8.033	0.000	2
13	The Labor Law ensures for employees the ease and speed of obtaining their dues from charities in the event of a dispute over their rights.	7.27	1.875	72.65	6.148	0.000	4
14	Charities avoid terminating any employee abusively to avoid financial loss.	7.36	2.255	73.61	5.499	0.000	3

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
Total		6.61	1.530	66.10	3.634	0.000	

Critical value of t at df "82" and significance level 0.05 equal 1.99

- In item No. (10) the weight mean equal "79.76%" and p-value equal "0.000" (which is less than 0.05), that means the charities commitment of employees' rights has a positive effect on charities' work. The Palestinian Labor Law number 7/2000 itemized group of rights for employees in term of work hours, leaves, compensations, overtime, workers injuries compensation, discount limits, trial periods, limited contracting periods, retirement social security, and etc. When charities are being commitment of employees' rights, this will satisfy the employee and give him/ her a kind of job security. Certainly, this develops loyalty, accuracy, productivity and hence affect positively on the benefit of the organization.

Al-Hadad (2014) agree with this idea as he sees that providing rights to employees enhances their performance and self-control, but he believes this has a problem in application; there is no sufficient awareness among employers regarding employees' rights. It is worth to mention that rights are dues not gifts.⁶⁴

- In item No. (3) the weight mean equal "40.84%" and p-value equal "0.000" (which is less than 0.05), that means charities are not committed to recruit, at least, 5% of people with disabilities amongst their staff – according to the Labor Law. The researcher believes that this low level refers to different reasons; absence of governmental monitoring, shortage of civil society active advocacy, unsuitable environment for people with disabilities, transportation difficulties, and shortage of transparent recruitment procedures. In addition to that, applying item of recruiting people with disabilities requires existence of minimum 20 employees at the charity. It is obvious that about half (48.2%) of this study population have staff less than 20 employees. So, the mentioned result (40.84%) is not very bad.

⁶⁴ Al-Hadad, Mohammad, Ministry of Labor, Legal Consultant, interview conducted on Tuesday 15th April 2014, 1:30 pm.

Al-Tamimi (2014)'s field research agrees with this result as it stated that different organizations (governmental, private sector, and NGO's) ignored the law number 4/1999 (Palestinian Disabled Rights Law), regarding recruiting, at least, 5% of people with disabilities among their staffs, as percentage of people with disabilities who work in governmental organizations does not exceed 3% of the governmental workforce. This was according to individual efforts exerted by people with disabilities themselves as there is no a national strategy nor governmental plan for employing this category. According to the study sample (1520 disabled persons), 78% are unemployed, 22% are employed; most of them have temporary job opportunities.⁶⁵

Al-Baik (2014) sees that this low result is correlated to the local community culture; lack of trust towards the competences of people with disabilities. Accordingly, Ministry of Interior's new project (the National Programme for Charities Performance Indicators) emphasized on this point but its effect has not appeared yet as it is applied since this year only. Also, applying item of recruiting people with disabilities requires existence of minimum 20 employees at the charity.⁶⁶

Al-Hadad (2014) agrees with this idea as the confirmed that such low result is linked to the community philosophy which supposes lack of reliance on the capabilities of people with disabilities. The general phenomenon of current unemployment percentage in the Gaza Strip contributes in the labor market deterioration for workforce generally and people with disabilities specifically.⁶⁷

- In general, the results of all items of the field (Effect of laws and regulations on HR management process) show that the average mean equal 6.61 and the weight mean equal 66.10% (which is greater than "60%") the p-value equal 0.000 (which is less than 0.05), that means charity-related laws and regulations (with regards to HR management process) affects significantly on aspects of charities work. For the purpose of organizing relationships between the two production parties (employer and employee) with ensuring rights of both parties, this effect is positive relatively

⁶⁵ Al-Tamimi, Islam, "Right of people with disabilities for suitable labor in Palestine – field study", The Independent Commission for Human Rights, 2014.

⁶⁶ Al-Baik, Tharwat, Ministry of Interior, Minister's Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

⁶⁷ Al-Hadad, Mohammad, Ministry of Labor, Legal Consultant, interview conducted on Tuesday 15th April 2014, 1:30 pm.

due to containing rights for employees (in term of work hours, leaves, compensations, overtime, workers injuries compensation, discount limits, trial periods, limited contracting periods, retirement social security, and etc.), supporting employees in case of any conflict related to their services termination, avoiding abusive termination, ensuring the ease and speed of obtaining employee's dues, advance notice before work termination, and etc. But the effect is not strong as some points need to be considered, especially related to conflict of interests, transparency in recruitment procedures and criteria, compensation limits and scales of salaries, performance appraisal, non-discrimination (according to gender, disability, ..etc). In addition to that, there is a wide gap between theory and application, so it is necessary to set and follow up applicable items to ensure applying of Labor Law's items.

Abu Maria (2012)'s study agrees, to some extent, with this result as he stated that there are some rights and pledges guaranteed for employees, by Palestinian Labor Law number 7 for the year 2000, in term of employment and vocational orientation, vocational training, work contract (contract period, contract affirmation, work conditions, work nature), syndicalistic activities freedom, wages security, labor suits litigation. Although such guarantees are minimum, they participate, to some extent, in achieving human resources development, self-confidence, psychological stability, and job security. But the Labor Law suffers from criticisms like lack of punishments on employers, unclear consequences of dwindling employee's minimum rights, absences of enforced labor specialized courts, unlimited judgment period, ...etc.⁶⁸

With reference to gap between theory and application, Sharaf (2005), in his research, emphasized on the absence of legal enforcement regarding the quality of HR recruitment. Civil Society Organizations (CSO's) are often interested in HR recruitment quality because of its positive effect on working with donors and fundraising despite the absence of legal enforcement.⁶⁹

⁶⁸ Abu Maria, A. (2012), "Some pledges guaranteed by Palestinian Labor Law number 7 for the year 2000", Published Paper, 28th (1) January Edition Al-Quds Open University Journal for Research and Studies. Jerusalem: Al-Quds Open University.

⁶⁹ Sharaf, J. (2005), "The effect of the financial control and the finance continuity for the civil society organizations (CSOs) in Gaza Strip", Master Thesis. Gaza: Islamic University – Gaza.

Al-Baik (2014) described the role of Ministry of Interior in HR management process matters as a limited role; concluded in inspecting if there are employees contracts, scales of salaries,...etc. Other issues and details maybe within the responsibilities of Ministry of Labor.⁷⁰

Al-Hadad (2014) sees that the Palestinian Labor Law (number 7 for the year 2000) is a wise reference to achieve balance between the two production parties (employee and employer). The law needs to be fully adopted and applied including enhancing relationships between employers and Ministry of Labor as itemized in the law. In addition to applying the punishments guidelines regulation number 121/2005 issued by the Board of Minsters.⁷¹

H1.4 There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (with regards to fundraising) on aspects of charities work.

To test the hypothesis, a one sample t test was used and the opinion of the respondents about effect of laws and regulations on fundraising ranked descending according to the weight mean as shown in Table No. (4.15) as follows:

Table (4.15): Effect of laws and regulations on fundraising

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
1	The law allows and encourages charities to expand fundraising expansion.	7.59	1.932	75.90	7.499	0.000	4
2	The law encourages charities to establish income-generating investment projects.	6.52	2.297	65.18	2.055	0.043	8
3	The law ensures the right for charities to receive	7.89	1.623	78.92	10.617	0.000	2

⁷⁰ Al-Baik, Tharwat, Ministry of Interior, Minister’s Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

⁷¹ Al-Hadad, Mohammad, Ministry of Labor, Legal Consultant, interview conducted on Tuesday 15th April 2014, 1:30 pm.

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	aids and raise donations.						
4	The Charities Law assures the right for foreign charities to establish field branches to work in the Palestinian territories without complications.	6.69	2.083	66.87	3.003	0.004	7
5	The fair recruitment of employees, according to the financial regulations procedures, helps in enhancing fundraising in charities.	7.60	1.887	76.02	7.738	0.000	3
6	Applying financial regulations strengthens donors' confidence and fundraising in charities.	8.20	1.772	82.05	11.335	0.000	1
7	Charities derive benefits from VAT exemption for most projects funded by external donors.	7.11	2.660	71.08	3.797	0.000	5
8	Conditions and procedures of obtaining VAT exemption are easy and encouraging for charities.	5.64	2.966	56.39	-1.110	0.270	9
9	Being exempted from taxes and customs fees, charities are positively affected in terms of maintaining their income and expenditures.	6.88	2.751	68.80	2.912	0.005	6
10	There is a positive effect on charities in terms of encouraging companies (tax payers); taxes are applied to the remaining net income in the event of donating to charities –	5.13	2.797	51.33	-2.825	0.006	10

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
	donations are up to 20% of the net income.						
Total		6.93	1.405	69.25	6.002	0.000	

Critical value of t at df "82" and significance level 0.05 equal 1.99

- In item No. (6) the weight mean equal "82.05%" and p-value equal "0.000" which (is less than 0.05), that means applying financial regulations strengthens donors' confidence and fundraising in charities. The researcher believes that this result is very logic. As charities are nongovernmental organizations that are financially independent, donors (individuals, institutions, funding agencies, and companies) are the sources of funds. Accordingly, fundraising is the main function (and also the main challenge) of any charity, especially in the Gaza Strip as charities depend mainly on external donors. To raise confidence with donors and enhance relations with them, charities need to deal with donors in forms of accuracy, transparency, and integrity that the intents of the financial regulations.

Al-Buhaisy (2009)'s study agrees with this concept as it mentioned that applying proper financial regulations play an important role of in raising confidence with donors. At that time, it recommended to amend the Ministry of Interior's financial regulations to be more clear, detailed, comprehensive, and complete in term of the needed HR in accounting, documents / forms, procedures, etc as this is very important to build trust with donors.⁷²

Al-Baik (2014) also agrees with this opinion as the financial reputation is the actual capital of any charity. Any donor is interested in disbursing funds in the right direction and by the right techniques. Al-Baik considers such high result for this point as a success indicator for the new financial regulations for the year 2013 which is more clear, detailed, comprehensive, and complete relatively to the previous versions.⁷³

⁷² Al-Buhaisy, E. (2009), "Assessing Financial Regulations of Gaza Palestinian Charities – Field Explorative Study", conference paper, Reality of NGO's: prospects and challenges. Gaza: Partners Association for Relief and Development.

⁷³ Al-Baik, Tharwat, Ministry of Interior, Minister's Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

- In item No. (10) the weight mean equal "51.33%" and p-value equal "0.006" (which is less than 0.05), that means there is no effect on charities in terms of encouraging companies (tax payers); taxes are applied to the remaining net income in the event of donating to charities – donations are up to 20% of the net income. Regrettably, such tax facilitation is not exploited in the Palestinian Territories although it is a moderate relatively with a lot of modern countries where more significant tax facilitations are applies for the donor companies. Moreover, this confirming the idea of depending on external donors rather than fundraising diversification.

Lanis and Richardson (2011)'s research disagreed with that result; they concluded that donating to charitable organizations and activities is one of the main roles of corporate social responsibility, so companies' charitable donations can be encouraged by the expected tax facilitations (such as deduction, ...etc).⁷⁴

Nassar (2014) sees the main reason for not exploiting the tax facilitation (mentioned above) is that the most companies' financial statements, provided to tax departments in the Gaza Strip, is inaccurate; some manipulations conducted by companies to minimize the due tax value as possible. From another side, the tax departments themselves often depend on negotiations, guessing, and discussions for estimating due tax value.⁷⁵

List (2011)'s study in USA supports the idea of fundraising diversification importance for charities specifically the effect of governmental tax policies on charities. It is concluded that with the increasing charitable gifts and number of registered charities, the market for charitable giving primarily revolves around three major players: Donors (providing the resources to charities), Charities (developing strategies to attract resources), and the government. Government decides (among other issues) on the tax treatment of individual contributions, the level of government grants to various charities, and what public goods/ services to provide itself.⁷⁶

⁷⁴ Lanis, R. and Richardson, G. (2011), "Corporate social responsibility and tax aggressiveness: An empirical analysis", *Journal of Accounting and Public Policy*, Elsevier Inc. Australia.

⁷⁵ Nassar, Hassan, Certified auditor and financial expert, interview conducted on Tuesday 15th April 2014, 4:00 am.

⁷⁶ List, J. (2011), "The Market for Charitable Giving", *Journal of Economic Perspectives*, (Volume 25, Number 2, Spring 2011).

- In general, the results for all items of the field (Effect of laws and regulations on fundraising) show that the average mean equal 6.93 and the weight mean equal 69.25 % (which is greater than " 60%") and the p-value equal 0.000 (which is less than 0.05), that means charity-related laws and regulations (with regards to fundraising) affects significantly on aspects of charities work. For the purpose of encouraging charities to expand fundraising, there is appositive effect in term of donors' confidence by financial regulations compliance, the right to receive aids and raise donations, fair recruitment of employees (fundraisers), VAT exemption for externally-funded projects, exemption from income taxes and customs fees, the right to establish income-generating investment projects, and the right to establish foreign charities' field branches. But the effect is not very strong because there are some complications, may be in application more than theory, in term of dealing with income-generating investment projects, work flexibility for foreign charities' field branches, procedures of obtaining VAT exemption, tax policies and their effect on companies (tax payers)'s donations.

Al-Mashharawi (2009)'s research matches this result as it indicated that taxes and customs exemptions for charities is considered indirect donations, by governments, which participate in encouraging charities and their partnership with state. Such participations (exemptions) need to be enlarged. Gaza Charities have shortages in fundraising diversification plans and self-dependency development strategies.⁷⁷

Al-Allol (2011) in his study called to promote Gaza charities' IT facilities, other organizational infrastructure, and operational expenses by establishing income-generation projects according to item no. 15 of Charitable Associations Law (number 1 for the year 2000) to be utilized in covering their charitable activities and operations.⁷⁸

Regarding effect of tax policies, Harding (2013), Brooks (2013), Marx (2012), Hines et. al, (2010), and List (2011) concluded that any income tax laws / regulations should consider the effect on charity / donation in different circumstances.. This can be

⁷⁷ Al-Mashharawi, A. (2009), "Study on Fundraising and Financial Management in Charities", conference paper, Reality of NGO's: prospects and challenges. Gaza: Partners Association for Relief and Development.

⁷⁸ Al-Allol, A. (2011), "Requirements Availability of E-Management Application Success in the Largest Charities in the Gaza Strip, and their impact on institutions' readiness against corruption", Master Thesis. Gaza: Islamic University – Gaza.

an actual tool by which governments can encourage donations. Governments need to monitor and study the donation field in order to prevent abuse of the charitable deduction. Many facts concerning the charitable market remain unknown. A lot of the areas need to be shown to legislators, provide theorists with empirical facts, and give practitioners useful advice.⁷⁹

Al-Baik (2014) commented on some low results regarding effect of tax policies on fundraising. Firstly, with regards to procedures of obtaining VAT exemption that take time and effort for every project. He confirmed that such procedures aim not to complicate charities work but to verify that such VAT exemption is exploited for the public benefit not for personal purposes, for example, some charities may request VAT exemption for a project beyond its work scope nor benevolent goal. Secondly, with regards to effect of tax policies on companies (tax payers)'s donations. It referred to shortage in Ministry of Finance's duty in following up companies' tax evasion, in addition to absence of charities' mission towards raising awareness among companies' regarding tax deductions related to donations. Thirdly, there is no hindrances for income-generating investment projects nor work of foreign charities' field branches, but legal requirements and necessary procedures need to be followed to accomplish any work.⁸⁰

Test the main hypotheses:

There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations (with regards to Charities governance and activities, Accounting and Financial procedures, HR management processes, Fundraising) on aspects of charities work.

⁷⁹ Harding, M. (2013), "What is the Point of Charity Law?". Cambridge, UK: Cambridge University Press,

Brooks, A. (2013), "The Great Recession, Tax Policy, and the Future of Charity in America". Washington: American Enterprise Institute (2013),

Marx, B. (2012), "Effects of Regulation on Donations to Charitable Foundations". New York: Columbia University Publications,

Hines, J. et. al, (2010), "The attack on nonprofit status: a charitable assessment", Public Law and Legal Theory Working Paper (Working Paper No. 197). Michigan: University of Michigan Law School, and

List, J. (2011), "The Market for Charitable Giving", Journal of Economic Perspectives, (Volume 25, Number 2, Spring 2011).

⁸⁰ Al-Baik, Tharwat, Ministry of Interior, Minister's Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

To test the hypothesis, a one sample t test was used and the opinion of the respondents about effect of laws and regulations on fundraising ranked descending according to the weight mean as shown in Table No. (4.16) as follows:

Table (4.16): Effect of laws and regulations on the biggest charities work in the Gaza Strip

No.	Items	Mean	standard deviation	Weight mean	t-value	P-value	Rank
1	Effect of charity-related laws and regulations on charities governance and activities.	6.67	1.529	66.73	4.008	0.000	3
2	Effect of charity-related laws and regulations on accounting and financial procedures.	7.51	1.203	75.09	11.433	0.000	1
3	Effect of charity-related laws and regulations on HR management processes.	6.61	1.530	66.10	3.634	0.000	4
4	Effect of charity-related laws and regulations on fundraising.	6.93	1.405	69.25	6.002	0.000	2
Total		6.90	1.195	69	6.851	0.000	

Critical value of t at df "82" and significance level 0.05 equal 1.99

In general, the results for all items of the four fields mentioned above in table No,(4.16) show that the average mean equal 6.90 and the weight mean equal 69% (which is greater than " 60%") and the p-value equal 0.000 (which is less than 0.05), that means charity-related laws and regulations (with regards to charities governance and activities, accounting and financial procedures, HR management processes, and fundraising) affects significantly on aspects of charities work. It is noticed that the effect is ranked descending as follows: accounting and financial procedures (75.09%), fundraising (69.25%), charities governance and activities (66.73%), HR management processes (66.10%).

The effect on accounting and financial procedures was the highest because of the legal enforcement of annual financial reporting to Ministry of Interior (MOI), MOI's

annual auditing and its consequences, and the interest by charities in accounting and financial procedures due to importance in term of sustaining trust and relationships with donors. The effect on fundraising was the second since the worth of fundraising as it is the footing of any organization.

Al-Baik (2014) agrees with these ideas and considers the highest value (of the effect on accounting and financial procedures) an indicator of the continuous efforts exerted by Ministry of Interior’s team in different actions: updating the financial regulations, controlling financial affairs of charities (through the annual reporting follow up, auditing, and their consequences), and networking between government and charities including sharing ideas which lead to valuable achievements such as the new project (the National Programme for Charities Performance Indicators) for improving charities performance.⁸¹

H2: There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the personality traits.

And this hypothesis divided into sub-hypotheses as concluded in the following table:

Table (4.17): Effect of charity-related laws and regulations and its reference to the personality traits

No.	Personality Traits	Sig.(P-Value)	Results	Notes
H2.1	Job Title	0.669	There is no statistically significant differences	For more details, see appendix E, table E1
H2.2	Gender	0.136	There is no statistically significant differences	For more details, see appendix E, table E2
H2.3	Age in Years	0.943	There is no statistically significant differences	For more details, see appendix E, table E3
H2.4	Years of Experience	0.216	There is no statistically significant differences	For more details, see appendix E, table E4

⁸¹ Al-Baik , Tharwat, Ministry of Interior, Minister’s Assistant Deputy for Public Affairs and Nongovernmental Organizations, interview conducted on Tuesday 15th April 2014, 11:00 am.

H2.5	Scientific Qualification	0.016	There is a statistically significant differences	For more details, see clarifications below
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- ❖ It is noticed that there is no statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the four personality traits (job title, gender, age in years, and years of experience). For more details, see appendix E. Such results refer to the existence of these charities in similar circumstances in the Palestinian environment in the Gaza Strip as they are in compliance with laws and regulations in similar manners.
- ❖ But concerning the scientific qualification, according to the one way ANOVA test's result as illustrated in table no. (4.18) which shows that the p-value equal 0.016 (which is less than 0.05), and the value of Fstat = 4.327 (which is greater than Fcritical = 3.11), that means there is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the scientific qualification. Scheffe test for Multiple Comparisons is used for more analysis. Table No.(4.19) shows that there is a difference between "Professional Graduate Certificate" and "Bachelore" in favor of "Bachelore", and there is a difference between "Professional Graduate Certificate" and "Postgraduate" in favor of "Postgraduate".

Table (4.18): One way ANOVA test for differences refer to scientific qualification

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	26.227	2	13.113	6.337	0.003
	Within Groups	165.535	80	2.069		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	3.191	2	1.596	1.106	0.336
	Within Groups	115.419	80	1.443		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	19.788	2	9.894	4.601	0.013
	Within Groups	172.042	80	2.151		

	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	2.755	2	1.378	0.693	0.503
	Within Groups	159.001	80	1.988		
	Total	161.757	82			
All sections	Between Groups	11.435	2	5.718	4.327	0.016
	Within Groups	105.720	80	1.322		
	Total	117.155	82			

Critical value of F at df " 2,80 " and significance level 0.05 equal 3.11

Table (4.19): Scheffe test for Multiple Comparisons due to scientific qualification

Scientific Qualification	Bachelore	Postgraduate	Professional Graduate Certificate
Bachelore		-0.122	1.291*
Postgraduate	0.122		1.413*
Professional Graduate Certificate	-1.291*	-1.413*	

It is a logic that the scientific qualification affects on point of view especially in such study concerning laws and regulations as scientific qualification often raise awareness and knowledge towards such issues.

H3: There is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the organizational attributes.

And this hypothesis divided into sub-hypotheses as concluded in the following table:

Table (4.20): Effect of charity-related laws and regulations and its reference to the organizational attributes

No.	Personality Traits	Sig.(P-Value)	Results	Notes
H3.1	Charity's Headquarter	0.456	There is no statistically significant differences	For more details, see appendix F, table F1
H3.2	Charity's Years of Inception	0.126	There is no statistically significant differences	For more details, see appendix F, table F2

H3.3	Charity Type	0.034	There is a statistically significant differences	For more details, see clarifications below
H3.4	Number of employees	0.01	There is a statistically significant differences	For more details, see clarifications below
H3.5	Charity's Average Annual Expenditures	0.257	There is no statistically significant differences	For more details, see appendix F, table F3

- ❖ It is noticed that there is no statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the three organizational attributes (charity's headquarter, charity's years of inception, and charity's average annual expenditures). For more details, see appendix F. Such results refer to the existence of these charities in similar circumstances in the Palestinian environment in the Gaza Strip as they are in compliance with laws and regulations in similar manners.
- ❖ But concerning the charity type, according to the Independent Samples Test's result as illustrated in table no. (4.21) which shows that the p-value equal 0.034 (which is less than 0.05), and the absolute value of T test equal 2.158 (which is greater than the critical value 1.99), that means there is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the refer to the charity type (and the difference in favor of "Local"). The local charities are in compliance with laws and regulations in similar manners as they often have similar organizational culture. Some branches of foreign charities have their own regulations and do not interested a lot in the local Palestinian laws and regulations. There is no problem for a charity to adopt its own regulations on the condition of no conflict with the local Palestinian ones.

Table (4.21): Independent Samples Test for differences refer to charity type

Field	Charity Type	N	Mean	Std. Deviation	T	P-value
Effect of laws and regulations on charities	Local	64	6.868	1.458	2.180	0.032
	Branch of a	19	6.016	1.620		

governance and activities	Foreign Charity					
Effect of laws and regulations on accounting and financial procedures	Local	64	7.675	1.184	2.363	0.021
	Branch of a Foreign Charity	19	6.952	1.122		
Effect of laws and regulations on HR management processes	Local	64	6.826	1.600	2.428	0.017
	Branch of a Foreign Charity	19	5.883	0.984		
Effect of laws and regulations on fundraising	Local	64	6.913	1.484	-0.151	0.880
	Branch of a Foreign Charity	19	6.968	1.129		
All sections	Local	64	7.050	1.226	2.158	0.034
	Branch of a Foreign Charity	19	6.390	0.947		

Critical value of t at df "138" and significance level 0.05 equal 1.98

It was expected that the charity type affects on point of view because branches of foreign charities often differ from local charities in term of work nature; most if foreign charities do not implement their projects themselves but they provide funds to implementing bodies (local partners) and follow them up. In addition to that, local charities have boards of directors registered in the Ministry of Interior but foreign branches often have one representative (director/ manager/....etc.) registered in the Ministry of Interior. Accordingly, difference in charity type can mean difference in dealing with the laws and regulations.

- ❖ Regarding the number of employees, according to the one way ANOVA test's result as illustrated in table no. (4.22) which shows that the p-value equal 0.010 (which is less than 0.05), and the value of Fstat = 3.21 (which is greater than Fcritical = 2.33), that means there is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to number of employees. Scheffe test for Multiple Comparisons is used for more analysis. Table No.(4.23) shows that there is a difference between "100 or greater" and "less than 5" in favor of "100 or greater".

Table (4.22): One way ANOVA test for differences refer to number of employees

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	24.445	5	4.889	2.250	0.058
	Within Groups	167.316	77	2.173		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	12.968	5	2.594	1.890	0.106
	Within Groups	105.642	77	1.372		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	39.714	5	7.943	4.021	0.003
	Within Groups	152.116	77	1.976		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	16.630	5	3.326	1.765	0.130
	Within Groups	145.127	77	1.885		
	Total	161.757	82			
All sections	Between Groups	20.238	5	4.048	3.216	0.01
	Within Groups	96.917	77	1.259		
	Total	117.155	82			

Critical value of F at df " 5,77 " and significance level 0.05 equal 2.33

Table (4.23): Scheffe test for Multiple Comparisons due to number of employees

Number of employees	Less than 5	5 to less than 10	10 to less than 20	20 to less than 50	50 to less than 100	100 or greater
Less than 5		-0.425	-0.561	-0.648	-1.345	-1.387*
5 to less than 10	0.425		-0.136	-0.223	-0.921	-0.962
10 to less than 20	0.561	0.136		-0.087	-0.784	-0.826
20 to less than 50	0.648	0.223	0.087		-0.697	-0.739
50 to less than 100	1.345	0.921	0.784	0.697		-0.041
100 or greater	1.387*	0.962	0.826	0.739	0.041	

As the difference is between "100 or greater" and "less than 5", it is logic that the number of employees effects on point of view because charities with big numbers of employees "100 or greater" are big charities in term of work load and implementing projects / operations that deep and continuous dealing with the laws and regulations.

Charities with small numbers of employees "Less than 5" are either small charities (in term of work load and implementing projects / operations) or some branches of foreign charities as discussed in a previous comment.

*** Comments on the second and third hypothesis:**

It is noticed that there is no statistically significant differences among charities in the effect of charity-related laws and regulations on aspects of charities work refer to the four personality traits (job title, gender, age in years, and years of experience) nor three organizational attributes (charity's headquarter, charity's years of inception, and charity's average annual expenditures). But there is a statistically significant differences refer to the one personality trait (scientific qualification) and two organizational attributes (charity type and number of employees).

Awad (2006)'s study stated that that there is no statistically significant differences among charities (in the demand of audit service) refer to personality traits (years of experience, age in years, scientific qualification, and specialization) nor organizational attributes (number of employees, charity's years of inception, and charity's scope of work).⁸² Specifically, scientific qualification and number of employees can not affect the demand of audit service as it is legally-enforced by Ministry of Interior.

Elewa (2007)'s research concluded that there is no statistically significant differences among charities (in the role of charities in alleviating poverty) refer to personality traits (scientific qualification, job title, years of experience, and gender) nor organizational attributes (charity's headquarter and charity's years of inception).⁸³ Generally, the role of charities in alleviating poverty can not be denied.

82 Awad, A. (2006), "Demand on Audit in Local Non-Governmental Organizations (NGOs) in Gaza Strip.", Master Thesis. Gaza: Islamic University – Gaza.

83 Elewa, J. (2007), "Managing and Organizing Zakat, and Their Effect on Limiting Poverty Rate in the Gaza Strip", Master Thesis. Gaza: Islamic University – Gaza.

Chapter 5

Conclusion and Recommendations

Chapter (5): Conclusion and Recommendations

5.1 Introduction

- The charity-related laws and regulations affect significantly on the aspects of charities work in a general percentage 69%. The effect of the four main work aspects is graded descending as follows: accounting and financial procedures (75.09%), fundraising (69.25%), charities governance and activities (66.73%), HR management processes (66.10%).
- The effect on accounting and financial procedures was the highest because of the legal enforcement of annual financial reporting to Ministry of Interior (MOI), MOI's annual auditing and its consequences, and the interest by charities in accounting and financial procedures due to importance in term of sustaining trust and relationships with donors. The effect on fundraising was the second since the worth of fundraising as it is the footing of any organization.

5.2 Conclusion

Effect of charity-related laws and regulations on charities governance and activities.

The weight mean for equal 66.73 %. That means charity-related laws and regulations (with regards to charities governance and activities) affects significantly on aspects of charities work. In term of facilitating, documenting, and controlling charities aspects, this effect is positive, to some extent, due to the possibility to bunch unions and associations, governmental follow up, roles of the general assembly and board of directors, practicing civic activities freedom, documentation and reporting standards, ..etc. But the effect is not strong as there are still some shortages, maybe in application more than theory in some points, in term of establishing or stopping charities, enhancing cooperation with governmental bodies, absence of material reward for boards, enhancing details and criteria in trust deeds, sufficient privilege to the executive management, boards of directors' qualifications, and their relationship with executive teams.

✚ **Effect of charity-related laws and regulations on accounting and financial procedures.**

The weight mean equal 75.09%. That means charity-related laws and regulations (with regards to accounting and financial procedures) affects significantly on aspects of charities work. For the purpose of facilitating, documenting, and controlling charities' accounting and financial procedures, this effect is positive and relatively due to controlling of contracting and purchasing procedures in charities, role of external auditing, facilitating direct contracting during emergencies, controlling and facilitating accounting procedures, requiring budgeting and financial reporting, the role of monitoring bodies (like Ministry of Interior and Administrative & financial monitoring council), deducting income tax of employees' salaries, creating a suitable framework for internal control and auditing, ..etc. But some points need to be considered more, especially related to employees' retirement social securities; to be balanced within the financial statements and to be listed within charities and projects' budgets.

✚ **Effect of charity-related laws and regulations on HR management processes.**

The weight mean equal 66.10%. That means charity-related laws and regulations (with regards to HR management process) affects significantly on aspects of charities work. For the purpose of organizing relationships between the two production parties (employer and employee) with ensuring rights of both parties, this effect is positive relatively due to containing rights for employees (in term of work hours, leaves, compensations, overtime, workers injuries compensation, discount limits, trial periods, limited contracting periods, retirement social security, and etc.), supporting employees in case of any conflict related to their services termination, avoiding abusive termination, ensuring the ease and speed of obtaining employee's dues, advance notice before work termination, and etc. But the effect is not strong as some points need to be considered, especially related to conflict of interests, transparency in recruitment

procedures and criteria, compensation limits and scales of salaries, performance appraisal, non-discrimination (according to gender, disability, ..etc). In addition to that, there is a wide gap between theory and application, so it is necessary to set and follow up applicable items to ensure applying of Labor Law's items.

Effect of charity-related laws and regulations on fundraising.

The weight mean equal 69.25 %. That means charity-related laws and regulations (with regards to fundraising) affects significantly on aspects of charities work. For the purpose of encouraging charities to expand fundraising, there is apposite effect in term of donors' confidence by financial regulations compliance, the right to receive aids and raise donations, fair recruitment of employees (fundraisers), VAT exemption for externally-funded projects, exemption from income taxes and customs fees, the right to establish income-generating investment projects, and the right to establish foreign charities' field branches. But the effect is not very strong because there are some complications, may be in application more than theory, in term of dealing with income-generating investment projects, work flexibility for foreign charities' field branches, procedures of obtaining VAT exemption, tax policies and their effect on companies (tax payers)'s donations.

The personality traits.

It is noticed that there is no statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the four personality traits (job title, gender, age in years, and years of experience). But concerning the scientific qualification, there is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the scientific qualification. There is a difference between "Professional Graduate Certificate" and "Bachelore" in favor of "Bachelore", and there is a difference between "Professional Graduate Certificate" and "Postgraduate" in favor of "Postgraduate".

The organizational attributes.

It is noticed that there is no statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the three organizational attributes (charity's headquarter, charity's years of inception, and charity's average annual expenditures). But concerning the charity type, there is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to the charity type (and the difference in favor of "Local"). Regarding the number of employees, there is a statistically significant differences among charities at level $\alpha = 0.05$ in the effect of charity-related laws and regulations on aspects of charities work refer to number of employees. There is a difference between "100 or greater" and "less than 5" in favor of "100 or greater".

5.3 Recommendations

The recommendations are mainly addressed to the makers of laws and regulations (Palestinian Legislative Council and government).

Effect of charity-related laws and regulations on charities governance and activities.

- To approve “notifying regarding establishment” rather than “registration” when establishing charities and activate the roles of the specialized ministries on monitoring and supporting charities according to each work field.
- To enhance the full application of charity-related laws and regulations on the land and activate more administrative and judicial monitoring and control on legislating regulations or taking decisions related to charities.
- To require setting clear objective criteria for beneficiaries’ selection through the charity’s trust deed and update more clear standards for documenting dealings and administrative reports of charities.
- To activate privileges, responsibilities, and roles of the general assembly and board of directors by which achieving work effectiveness in charities.
- To clarify criteria, qualifications, and requirements related to boards of directors and approve the necessity of involving a lawyer in each board of directors.
- To approve material rewards for the active members of directors in charities for motivating and strengthening their roles.
- To clearly regulate relationship between board of directors and executive team for the benefit of work and to give sufficient privilege to the executive management in carrying out their duties and responsibilities.
- To enhance cooperation between charities and governmental bodies.

Effect of charity-related laws and regulations on accounting and financial procedures.

- To enforce listing employees’ retirement social securities within charities and projects’ budgets, as well as to charities’ financial statements.
- To enhance internal control framework in charities in written manners.
- To clearly determines tasks required from the financial external auditor.

- To enhance the role of Administrative & Financial Monitoring Council in controlling charities' affairs.

Effect of charity-related laws and regulations on HR management processes.

- To increase controlling of employees' recruitment procedures and criteria.
- To increase controlling of conflict of interests to ensure more transparency of employees' recruitment.
- To enforce recruiting, at least, 5% of people with disabilities amongst the charities' staffs and empower gender equity.
- To monitor and control not exceeding trial and limited contracting periods mentioned in the Labor Law.
- To regulate employees' compensation procedures, general limits of scales of salaries, and performance appraisal.
- To highly enforce charities' commitment to employees' rights.
- To support ensuring for employees the ease and speed of obtaining their dues from charities in the event of a dispute over their rights.

Effect of charity-related laws and regulations on fundraising.

- To encourage charities to establish income-generating investment projects by facilitating the necessary procedures and giving special tax facilitations for them.
- To give more facilitation for foreign charities to establish field branches to work in the Palestinian territories.
- To continue in monitoring and controlling the application of financial regulations to contribute in strengthening donors' confidence and fundraising in charities.
- To facilitate the conditions and necessary procedures for charities to obtain VAT exemption for projects, and to give the exemption on all projects whatever the donor.
- To apply strong monitoring and control on companies to ensure the accuracy of their financial statements and tax accounts.

- To raise awareness among companies regarding tax deduction due to donations to charities, and to maximize deductions and facilitations to encourage companies.

5.4 Recommended future studies

- Comparative studies (between Palestine and other countries) on the effect of the charity-related laws and regulations on the aspects of the charities work.
- The Palestinian tax policies and their effect on the aspects of the charities work.
- The reality of the relationship between government and charities in the Gaza Strip.

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Appendices

Appendix (A)
Questionnaire –
Arabic Copy
(draft)



السيد الفاضل حفظه الله
السلام عليكم ورحمة الله وبركاته

نرفق لسيادتكم استبانة ضمن أدوات جمع بيانات لإجراء دراسة بعنوان **"تأثير القوانين و الأنظمة على عمل الجمعيات الخيرية بقطاع غزة"** كأحد متطلبات الحصول على درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية - غزة.

لما كان للجمعيات الخيرية دور هام في خدمة المجتمع الفلسطيني بقطاع غزة، جاءت هذه الدراسة لتسلط الضوء على القوانين و الأنظمة - ذات العلاقة بعمل الجمعيات الخيرية - باعتبارها عاملاً هاماً يؤثر في عملها بجوانبه المختلفة المتعلقة بأنشطة الجمعيات، و الإجراءات المالية و المحاسبية، و عمليات إدارة الموارد البشرية، و جلب التمويل.

و عليه فإننا نأمل من سيادتكم التكرم بالإجابة عن جميع فقرات الاستبانة بدقة و موضوعية حسب آرائكم، علماً بأنه سيتم التعامل مع المعلومات الواردة في هذه الاستبانة بسرية تامة و ستستخدم لأغراض البحث العلمي فقط.

ملاحظة: للإجابة عن بنود هذه الاستبانة نأمل وضع الدرجة من 1 إلى 10 حسب رأيكم، حيث كلما اقتربت الدرجة من 10 دل ذلك على الموافقة العالية على الفقرة، و العكس صحيح.

شاكرين لكم حسن تعاونكم
مع فائق الاحترام و التقدير

الباحث

محمود عمر لبد

الجزء الأول: معلومات حول السمات الشخصية و التنظيمية

سمات شخصية:

المسمى الوظيفي	رئيس / عضو مجلس الإدارة	مدير		
الجنس	ذكر	أنثى		
العمر بالسنوات	من 20 إلى 29	من 30 إلى 39	من 40 إلى 50	50 فأكثر
الخبرة العملية بالسنوات	أقل من 5	من 5 إلى أقل من 10	من 10 إلى أقل من 15	15 فأكثر
المؤهل العلمي	دبلوم فأقل	بكالوريوس	ماجستير	دكتوراة

سمات تنظيمية:

عمر الجمعية بالسنوات منذ التأسيس	أقل من 5	من 5 إلى أقل من 10	من 10 إلى أقل من 15	15 فأكثر	
نوع الجمعية	محلية	أجنبية			
عدد العاملين بالجمعية	أقل من 10	من 10 إلى أقل من 20	من 20 إلى أقل من 50	50 فأكثر	
عدد أعضاء مجلس الإدارة	7	9	11	13 فأكثر	
متوسط موازنة الجمعية السنوية للعام الحالي	أقل من 100,000 دولار	من 100,000 إلى 500,000 دولار	من 500,000 إلى 1,000,000 دولار	أكثر من 1,000,000 دولار	
المقر الرئيسي بقطاع غزة	الشمال	غزة	الوسطى	خانيونس	رفح

الجزء الثاني: تأثير القوانين و الأنظمة على عمل الجمعيات الخيرية

الدرجة من 1 إلى 10	أولاً: تأثير القوانين و الأنظمة على أنشطة الجمعية (مساعدات/ خدمات/ مناصرة) Charity activities (aid/ services/ advocacy)
	1. يعطي قانون الجمعيات الحق في تشكيل الجمعيات بسهولة.
	2. يتيح قانون الجمعيات حرية ممارسة النشاط الأهلي بأشكاله المختلفة بلا عوائق.
	3. وجود وزارة مختصة لمتابعة عمل الجمعيات يساعد في المرونة و السرعة و التخصص بما يخدم الصالح العام.
	4. يحتوي القانون معايير موضوعية واضحة عند اختيار المستفيدين.
	5. يحتوي القانون على معايير واضحة لتوثيق المعاملات و التقارير الإدارية للجمعيات.
	6. يوضح قانون الجمعيات مبررات و آليات مقنعة عند رفض تسجيل الجمعيات أو إيقاف عملها.
	7. يوضح قانون الجمعيات صلاحيات ومسئوليات و أدوار الجمعية العمومية و مجلس الإدارة بما يحقق فاعلية العمل.
	8. يوضح قانون الجمعيات المعايير و المتطلبات الواجب توافرها بمجلس الإدارة.
	9. جواز انضمام الجمعيات للاتحادات و التجمعات يفتح آفاق التعاون و التنسيق و التكامل بينها.
	10. يساهم قانون الجمعيات بوضوح في تعزيز التعاون بين الجمعيات و مؤسسات الحكومة.
الدرجة من 1 إلى 10	ثانياً: تأثير القوانين و الأنظمة على الإجراءات المالية و المحاسبية Accounting and Financial procedures
	1. يؤثر النظام المالي بشكل إيجابي في ضبط إجراءات التعاقد و الشراء بالجمعيات.
	2. يسهل التعاقد المباشر وقت الطوارئ - المنصوص عليه بالنظام المالي- سرعة إنجاز المشاريع العاجلة.
	3. يساعد النظام المالي للجمعيات في سهولة الإجراءات المالية و المحاسبية فيها.
	4. يساعد النظام المالي في ضبط الإجراءات المالية و المحاسبية و إعداد الموازنات و التقارير المالية.
	5. يلزم النظام المالي الجمعيات في ترصيد مكافآت نهاية الخدمة للعاملين ضمن الحسابات الختامية للجمعية.
	6. يلزم النظام المالي الجمعيات في وضع مكافآت نهاية الخدمة للعاملين في موازنات الجمعية و المشاريع.
	7. تلتزم الجمعيات باستقطاع ضريبة الدخل عن رواتب موظفيها و تسديدها للجهة المختصة.
	8. يساهم تدقيق حسابات الجمعية الختامية من قبل مدقق خارجي في ضبط و تحسين العمل المحاسبي و المالي بها.
	9. تساهم الجهات الرقابية (كالوزارة المختصة و ديوان الرقابة) في ضبط و تحسين الشؤون المالية للجمعية.

الدرجة من 1 إلى 10	ثالثاً: تأثير القوانين و الأنظمة على عمليات إدارة الموارد البشرية HR management processes
	1. يؤثر النظام المالي بشكل إيجابي في ضبط إجراءات تعيين الموظفين.
	2. تضمن بنود عدم تعارض المصالح – المنصوص عليها بالنظام المالي – شفافية تعيين الموظفين.
	3. تلتزم الجمعيات بتعيين 5% على الأقل من ذوي الإعاقات – حسب قانون العمل - ضمن العاملين بها.
	4. تلتزم الجمعيات بعدم التمييز في التوظيف بين الإناث و الذكور.
	5. تلتزم الجمعيات بعدم تجاوز الحدود القصوى لفترات التجربة و فترات التعاقد محددة المدة حسب قانون العمل.
	6. يؤثر النظام المالي بشكل إيجابي في إجراءات دفع الرواتب و استحقاقات العاملين و عمل سلم الرواتب.
	7. يساعد قانون العمل في زيادة التزام العاملين بالجمعيات و انضباطهم.
	8. تهتم كل من الجمعيات و العاملين بموضوع تقييم الأداء تجنباً لمسألة الفصل التعسفي.
	9. تلتزم الجمعيات بحقوق العاملين المتعلقة بساعات العمل والإجازات المتعددة والأجور والعمل الإضافي و ما يتعلق بإصابات العمل و حدود الخصومات و غير ذلك مما ينص عليه قانون العمل.
	10. التزام الجمعيات بحقوق العاملين - المذكورة أعلاه – له أثر إيجابي على عملها.
	11. يلتزم طرفي التعاقد (الجمعية و الموظف) بالإشعار المسبق قبل إنهاء للعمل.
	12. يساند قانون العمل العاملين في حال نشوب خلاف ناتج عن إنهاء خدماتهم.
	13. يوفر قانون العمل سهولة و سرعة حصول العاملين على مستحقاتهم من الجمعيات في حال نشوب خلاف بشأن حقوقهم العمالية.
	14. تتجنب الجمعيات الوقوع في فصل أي عامل تعسفاً لما من ذلك أضرار مالية على المؤسسة.
	15. تؤثر النقابات المهنية بموجب قانون العمل في تبني قضايا منسبها و الدفاع عن حقوقهم.
الدرجة من 1 إلى 10	رابعاً: تأثير القوانين و الأنظمة على جلب التمويل Fundraising
	1. يتيح القانون و يشجع الجمعيات على التوسع في جلب التمويل.
	2. يشجع القانون الجمعيات على تأسيس المشاريع المدرة للدخل.
	3. يضمن القانون للجمعيات حق تلقي المساعدات غير المشروطة و جمع التبرعات.
	4. يكفل قانون الجمعيات للجمعيات الأجنبية فتح فروع للعمل في الأراضي الفلسطينية بدون تعقيدات.
	5. تعيين العاملين بعدالة وفق آلية النظام المالي يساعد في زيادة جلب التمويل للجمعيات.
	6. تستفيد الجمعيات من الإعفاء الضريبي في معظم المشاريع الممولة من الخارج.
	7. شروط و إجراءات الحصول على الإعفاء الضريبي سهلة و مشجعة للجمعيات.

	8. كون الجمعيات معفاة من ضريبة الدخل فهذا له أثر جيد من حيث الحفاظ على إيرادات الجمعيات و مصاريفها.
	9. يوجد أثر إيجابي على الجمعيات من حيث تشجيع المكلفين بالتبرع باعتبار 20% كتنزيلات للتبرعات.

Appendix (B)
Questionnaire –
Arabic Copy (final)



السيد الفاضل حفظه الله
السلام عليكم ورحمة الله و بركاته

نرفق لسيادتكم استبانة ضمن أدوات جمع بيانات لإجراء دراسة بعنوان **"مدى تأثير القوانين و الأنظمة على عمل الجمعيات الخيرية الكبرى بقطاع غزة"** كأحد متطلبات الحصول على درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية – غزة.

نظراً للدور الهام الذي تقوم به الجمعيات الخيرية في خدمة المجتمع الفلسطيني بقطاع غزة، جاءت هذه الدراسة لتسلط الضوء على القوانين و الأنظمة باعتبارها عاملاً هاماً يؤثر في عملها بجوانبه المختلفة المتعلقة بحوكمة و أنشطة الجمعيات، الإجراءات المالية و المحاسبية، عمليات إدارة الموارد البشرية، و جلب التمويل.

إن أهم القوانين و الأنظمة - ذات العلاقة بعمل الجمعيات الخيرية - السارية في الأراضي الفلسطينية و التي تتناولها هذه الدراسة هي: قانون الجمعيات الخيرية و الهيئات الأهلية، النظام المالي للجمعيات الخيرية و الهيئات الأهلية، قانون العمل، لوائح ضريبة القيمة المضافة و قانون الجمارك، و قانون ضريبة الدخل.

و عليه فإننا نأمل من سيادتكم التكرم بالإجابة عن جميع فقرات الاستبانة بدقة و موضوعية حسب آرائكم، علماً بأن المعلومات الواردة في هذه الاستبانة ستستخدم لأغراض البحث العلمي فقط.

ملاحظة: للإجابة عن بنود هذه الاستبانة نأمل وضع الدرجة من 1 إلى 10 حسب رأيكم، حيث كلما اقتربت الدرجة من 10 دل ذلك على الموافقة العالية على الفقرة، و العكس صحيح.

شاكرين لكم حسن تعاونكم
مع فائق الاحترام و التقدير

الباحث

محمود عمر لبد

الجزء الأول: معلومات حول السمات الشخصية و التنظيمية

سمات شخصية:

أمين صندوق		رئيس مجلس إدارة		المسمى الوظيفي
مدير		عضو مجلس إدارة		
غير ذلك:		محاسب		

أنثى		ذكر		الجنس
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من 30 إلى 34		من 25 إلى 29		من 19 إلى 24		العمر بالسنوات
50 فأكثر		من 40 إلى 49		من 35 إلى 39		

15 فأكثر		من 10 إلى أقل من 15		من 5 إلى أقل من 10		أقل من 5	الخبرة العملية بالسنوات
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مؤهل مهني (بعد الجامعي)		دراسات عليا		جامعي		دبلوم فأقل	المؤهل العلمي
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سمات تنظيمية:

محافظة الوسطى		محافظة غزة		محافظة شمال غزة		المقر الرئيسي للجمعية
الضفة الغربية		محافظة رفح		محافظة خانينونس		

10 فأكثر		من 7 إلى أقل من 10		من 3 إلى أقل من 7		أقل من 3	عمر الجمعية بالسنوات منذ التأسيس
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فرع أجنبي		محلية		نوع الجمعية
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من 10 إلى أقل من 20		من 5 إلى أقل من 10		أقل من 5		عدد العاملين بالجمعية
100 فأكثر		من 50 إلى أقل من 100		من 20 إلى أقل من 50		

3,000,000 دولار فأكثر		من 1,000,000 إلى أقل من 3,000,000 دولار		من 500,000 إلى أقل من 1,000,000 دولار		من 250,000 إلى أقل من 500,000 دولار		أقل من 250,000 دولار	متوسط إجمالي مصروفات الجمعية السنوية
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الجزء الثاني: تأثير القوانين و الأنظمة على عمل الجمعيات الخيرية الكبرى بقطاع غزة

الدرجة من 1 إلى 10	أولاً: تأثير القوانين و الأنظمة على حوكمة و أنشطة الجمعيات (مساعدات/ خدمات/ مناصرة) Charities governance and activities (aid/ services/ advocacy)
	1. يعطي قانون الجمعيات الحق في تشكيل الجمعيات بسهولة.
	2. يوضح قانون الجمعيات أسباب و آليات مقنعة عند رفض تسجيل الجمعيات أو إيقاف عملها.
	3. يتيح قانون الجمعيات حرية ممارسة النشاط الأهلي بأشكاله المختلفة بلا عوائق.
	4. وجود وزارة مختصة لمتابعة عمل الجمعيات يساعد في المرونة و السرعة و التخصص بما يخدم الصالح العام.
	5. يلزم قانون الجمعيات وضع معايير موضوعية واضحة عند اختيار المستفيدين من خلال النظام الأساسي للجمعية.
	6. يحتوي قانون الجمعيات على معايير واضحة لتوثيق المعاملات و التقارير الإدارية للجمعيات.
	7. يوضح قانون الجمعيات صلاحيات ومسئوليات و أدوار الجمعية العمومية و مجلس الإدارة بما يحقق فاعلية العمل.
	8. يوضح قانون الجمعيات المعايير و المؤهلات و المتطلبات الواجب توافرها بمجالس الإدارة.
	9. يساهم مجالس الإدارة كمتطوعين – دون أي مقابل مادي - في تعزيز دورهم في إدارة الجمعيات الخيرية.
	10. ينظم قانون الجمعيات العلاقة بين مجالس الإدارة و الفريق التنفيذي بشكل واضح لما فيه مصلحة العمل.
	11. يعطي قانون الجمعيات صلاحية كافية للإدارة التنفيذية في القيام بواجباتها و مسؤولياتها.
	12. جواز انضمام الجمعيات للاتحادات و التجمعات يفتح آفاق التعاون و التنسيق و التكامل بينها.
	13. يساهم قانون الجمعيات بوضوح في تعزيز التعاون بين الجمعيات و مؤسسات الحكومة.
الدرجة من 1 إلى 10	ثانياً: تأثير القوانين و الأنظمة على الإجراءات المالية و المحاسبية Accounting and financial procedures
	1. يؤثر النظام المالي للجمعيات بشكل إيجابي في ضبط إجراءات التعاقد و الشراء بالجمعيات.
	2. يسهل التعاقد المباشر وقت الطوارئ - المنصوص عليه بالنظام المالي- سرعة إنجاز المشاريع العاجلة.
	3. يساعد النظام المالي للجمعيات في سهولة الإجراءات المالية و المحاسبية فيها.
	4. يساعد النظام المالي للجمعيات في ضبط الإجراءات المالية و المحاسبية و إعداد الموازنات و التقارير المالية.
	5. يلزم النظام المالي للجمعيات في ترصيد مكافآت نهاية الخدمة للعاملين ضمن الحسابات الختامية للجمعية.
	6. يلزم النظام المالي للجمعيات في وضع مكافآت نهاية الخدمة للعاملين في موازنات الجمعية و المشاريع.
	7. تلتزم الجمعيات باستقطاع ضريبة الدخل عن رواتب موظفيها و تسديدها للجهة المختصة.
	8. يلزم النظام المالي للجمعيات بوجود إطار مناسب للرقابة الداخلية يتمتع بالاستقلالية و الحياد.

	9. الإلزام بتدقيق حسابات الجمعية - من قبل مدقق خارجي - يساهم في ضبط و تحسين العمل المحاسبي والمالي بها.
	10. يحدد النظام المالي للجمعيات المهام المطلوبة من مدقق الحسابات الخارجي.
	11. مراقبة الجهات الرقابية (كالوزارة المختصة وديوان الرقابة الإدارية و المالية) تساهم في ضبط الشؤون المالية للجمعيات.
الدرجة من 1 إلى 10	12. ثالثاً: تأثير القوانين و الأنظمة على عمليات إدارة الموارد البشرية 13. HR management processes
	1. يؤثر النظام المالي بشكل إيجابي في ضبط إجراءات و معايير تعيين الموظفين.
	2. تضمن بنود عدم تعارض المصالح - المنصوص عليها بالنظام المالي - شفافية تعيين الموظفين.
	3. تلتزم الجمعيات بتعيين 5% على الأقل من ذوي الإعاقات - حسب قانون العمل - ضمن العاملين بها.
	4. تلتزم الجمعيات بعدم التمييز في التوظيف بين الإناث و الذكور.
	5. تلتزم الجمعيات بعدم تجاوز الحدود القصوى لفترات التجربة و فترات التعاقد محددة المدة حسب قانون العمل.
	6. يؤثر النظام المالي بشكل إيجابي في إجراءات دفع الرواتب و استحقاقات العاملين و عمل سلم الرواتب.
	7. يساعد قانون العمل في زيادة التزام العاملين بالجمعيات و انضباطهم.
	8. تهتم كل من الجمعيات و العاملين بموضوع تقييم الأداء تجنباً لمسألة الفصل التعسفي.
	9. تلتزم الجمعيات بحقوق العاملين المتعلقة بساعات العمل و الإجازات المتعددة و الأجور و العمل الإضافي و ما يتعلق بإصابات العمل و حدود الخصومات و غير ذلك مما ينص عليه قانون العمل.
	10. التزام الجمعيات بحقوق العاملين - المذكورة أعلاه - له أثر إيجابي على عملها.
	11. يلتزم طرفي التعاقد (الجمعية و الموظف) بالإشعار المسبق قبل إنهاء للعمل.
	12. يساعد قانون العمل العاملين في حال نشوب خلاف ناتج عن إنهاء خدماتهم.
	13. يوفر قانون العمل سهولة و سرعة حصول العاملين على مستحقاتهم من الجمعيات في حال نشوب خلاف بشأن حقوقهم.
	14. تتجنب الجمعيات الوقوع في فصل أي عامل تعسفاً لما من ذلك أضرار مالية على المؤسسة.
الدرجة من 1 إلى 10	رابعاً: تأثير القوانين و الأنظمة على جلب التمويل Fundraising
	1. يتيح القانون و يشجع الجمعيات على التوسع في جلب التمويل.
	2. يشجع القانون الجمعيات على تأسيس المشاريع الاستثمارية المدرة للدخل.
	3. يضمن القانون للجمعيات حق تلقي المساعدات و جمع التبرعات.
	4. يكفل قانون الجمعيات للجمعيات الأجنبية فتح فروع للعمل في الأراضي الفلسطينية بدون تعقيدات.
	5. يساعد تعيين العاملين بعدالة - وفق آلية النظام المالي - في زيادة جلب التمويل للجمعيات.

	6. يساعد تطبيق النظام المالي في تعزيز ثقة الممولين و زيادة جلب التمويل للجمعيات.
	7. تستفيد الجمعيات من الإعفاء الضريبي في معظم المشاريع الممولة من الخارج.
	8. شروط و إجراءات الحصول على الإعفاء الضريبي سهلة و مشجعة للجمعيات.
	9. كون الجمعيات معفاة من الضرائب والرسوم الجمركية فهذا له أثر جيد حيث يحافظ على إيرادات الجمعيات ومصاريفها.
	10. يوجد أثر إيجابي على الجمعيات من حيث تشجيع المكلفين (الخاضعين لضريبة الدخل) بالتبرع باعتبار 20% كتنزيلات للتبرعات من صافي الدخل.

Appendix (C)
Questionnaire –
English Copy
(final)

Part I: Information about Personality Traits and Organizational Attributes

- Personality Traits:

Treasurer			Chairman of the Board			Job Title	
Manager			Member of the Board of Directors				
Other:			Accountant				
Female				Male		Gender	
30 to 34			25 to 29			Age in Years	
50 years or older			40 to 49				
			19 to 24				
			35 to 39				
15 years or older		From 10 to less than 15		From 5 to less than 10		Less than 5	Years of Experience
Professional Graduate Certificate		Postgraduate		Bachelor		Diploma or lesser	Scientific Qualification

- Organizational Attributes:

Middle Governorate			Gaza Governorate			North Gaza Governorate			Charity's Headquarter
West Bank			Rafah Governorate			Khan Yunes Governorate			
10 Years or older		7 to less than 10		3 to less than 7		Less than 3		Charity's Years of Inception	
Branch of a Foreign Charity				Local				Charity Type	
10 to less than 20		5 to less than 10		Less than 5		Number of employees			
100 or greater		50 to less than 100		20 to less than 50					

3,000,000 or greater	1,000,000 to less than 3,000,000 US\$	500,000 to less than 1,000,000 US\$	250,000 to less than 500,000 US\$	Less than 250,000 US\$	Charity's Average Annual Expenditures
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Part II: Effect of Laws and Regulations on the Work of Major Charities in the Gaza Strip

Mark from 1 to 10	First: The effect of laws and regulations on charities governance and activities (aids/ services/ advocacy)
	1. The Charities Law gives the right of establishing charities easily.
	2. The Charities Law offers convincing excuses and mechanisms in case of rejecting charities' registration or stopping their work.
	3. The Charities Law offers the freedom of practicing various forms of civic activities uninterrupted.
	4. Dedicating a specialized ministry for following up charities work provides more flexibility, speed, and specialization by which serving public benefit.
	5. The Charities Law requires setting clear objective criteria for beneficiaries' selection through the charity's trust deed.
	6. The Charities Law contains clear standards for documenting dealings and administrative reports of charities.
	7. The Charities Law clarifies privileges, responsibilities, and roles of the general assembly and board of directors by which achieving work effectiveness.
	8. The Charities Law clarifies criteria, qualifications, and requirements related to boards of directors.
	9. The voluntary members of boards, without any material reward, contribute in strengthening their roles in charities management.
	10. The Charities Law clearly regulates relationship between board of directors and

	executive team for the benefit of work.
	11. The Charities Law gives sufficient privilege to the executive management in carrying out their duties and responsibilities.
	12. The possibility for charities to bunch in unions and associations gives more opportunities for cooperation, coordination, and getting integrated among them.
	13. The Charities Law contributes obviously in enhancing cooperation between charities and governmental bodies.
Mark from 1 to 10	Second: The effect of laws and regulations on accounting and financial procedures
	1. The financial regulations affects positively controlling of contracting and purchasing procedures in charities.
	2. The direct contracting during emergencies – mentioned in the financial regulations – facilitates the speed of implementing urgent projects.
	3. The financial regulations in charities assists in facilitating accounting and financial procedures.
	4. The financial regulations in charities assists in controlling accounting and financial procedures, budgeting, and financial reporting.
	5. The financial regulations in charities enforces balancing employees’ retirement social securities within charities’ financial statements.
	6. The financial regulations in charities enforces listing employees’ retirement social securities within charities and projects’ budgets.
	7. Charities are committed to deducting income tax of employees’ salaries to be paid to the competent authority.
	8. The financial regulations in charities requires creating a suitable framework for internal control with independency and neutralism.

	9. Requiring auditing of charity's accounts, by external auditor, contributes in controlling and improving accounting and financial works.
	10. The financial regulations in charities determines tasks required from the financial external auditor.
	11. The role of monitoring bodies (like Ministry of Interior and Administrative & financial monitoring council) contributes in controlling charities' financial affairs.
Mark from 1 to 10	Third: The effect of laws and regulations on HR management processes
	1. The financial regulations positively affect controlling employees' recruitment procedures and criteria.
	2. The conflict of interest items – mentioned in the financial regulations – ensures transparency of employees' recruitment.
	3. Charities are committed to recruiting, at least, 5% of people with disabilities amongst their staff – according to the Labor Law.
	4. Charities are committed to non-discrimination between males and females in term of recruitment.
	5. Charities are committed not to exceed trial and limited contracting periods mentioned in the Labor Law.
	6. The financial regulations affect positively employees' compensation procedures and scales of salaries.
	7. The Labor Law enhances employees' commitments and control within charities.
	8. Both of charities and employees care about performance appraisal to avoid the issue of abusive termination.
	9. Charities are committed to employees' rights in terms of work hours, leaves, compensations, overtime, workers injuries compensation, discount limits, and etc. as mentioned in the Labor Law.
	10. The charities commitment of employees' rights – mentioned above –has a positive

	effect on charities' work.
	11. Contract parties (charity and employee) are committed to advance notice before work termination.
	12. The Labor Law supports employees in case of any conflict related to their services termination.
	13. The Labor Law ensures for employees the ease and speed of obtaining their dues from charities in the event of a dispute over their rights.
	14. Charities avoid terminating any employee abusively to avoid financial loss.
Mark from 1 to 10	Fourth: The effect of laws and regulations on fundraising
	1. The law allows and encourages charities to expand fundraising expansion.
	2. The law encourages charities to establish income-generating investment projects.
	3. The law ensures the right for charities to receive aids and raise donations.
	4. The Charities Law assures the right for foreign charities to establish field branches to work in the Palestinian territories without complications.
	5. The fair recruitment of employees, according to the financial regulations procedures, helps in enhancing fundraising in charities.
	6. Applying financial regulations strengthens donors' confidence and fundraising in charities.
	7. Charities derive benefits from VAT exemption for most projects funded by external donors.
	8. Conditions and procedures of obtaining VAT exemption are easy and encouraging for charities.
	9. Being exempted from taxes and customs fees, charities are positively affected in terms of maintaining their income and expenditures.
	10. There is a positive effect on charities in terms of encouraging companies (tax payers);

	taxes are applied to the remaining net income in the event of donating to charities – donations are up to 20% of the net income.
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Appendix (D)
Questionnaire
Referees

Questionnaire Referees

1.	Prof. Dr. Salem Helles	Accounting Department – Faculty of Commerce - IUG
2.	Prof. Dr. Hamdi Zoa'rob	Accounting Department – Faculty of Commerce - IUG
3.	Prof. Dr. Ali Shahin	Accounting Department – Faculty of Commerce - IUG
4.	Dr. Akram Sammor	Business Administration Department – Faculty of Commerce - IUG
5.	Dr. Sami Abu Al-Rouss	Business Administration Department – Faculty of Commerce - IUG
6.	Dr. Yasser Al-Shorafa	Business Administration Department – Faculty of Commerce - IUG
7.	Dr. Nafez Barakat	Economy & Statistics Department – Faculty of Commerce - IUG
8.	Mr. Khaled Al-Kahlout	Director – Community Development Institute - IUG
9.	Mr. Tony Massa'ad	Gaza Branch Director – Talal Abu Ghazalah Company
10.	Mr. Jamil Al-Masri	Audit Manager – Talal Abu Ghazalah Company
11.	Mr. Jihad Qundil	Main Office Director – Interpal UK
12.	Mr. Hassan Nassar	Certified Auditor and Financial Consultant
13.	Mr. Ayman Ayesh	Vice-General Director – General Department for Public Affairs and NGO's – Ministry of Interior

Appendix (E)
Statistical Tables
(Re Personality Traits)

Table (E1): One way ANOVA test for differences refer to job title

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	14.021	5	2.804	1.215	0.310
	Within Groups	177.741	77	2.308		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	10.982	5	2.196	1.571	0.178
	Within Groups	107.629	77	1.398		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	4.148	5	0.830	0.340	0.887
	Within Groups	187.682	77	2.437		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	5.662	5	1.132	0.559	0.731
	Within Groups	156.095	77	2.027		
	Total	161.757	82			
All sections	Between Groups	4.680	5	0.936	0.641	0.669
	Within Groups	112.475	77	1.461		
	Total	117.155	82			

Critical value of F at df "5,77 " and significance level 0.05 equal 2.33

Table (E2): Independent Samples Test for differences refer to gender

Field	gender	N	Mean	Std. Deviation	T	P-value
Effect of laws and regulations on charities governance and activities	Male	64	6.514	1.537	-1.754	0.083
	Female	19	7.206	1.413		
Effect of laws and regulations on accounting and financial procedures	Male	64	7.415	1.265	-1.320	0.190
	Female	19	7.828	0.924		
Effect of laws and regulations on HR management processes	Male	64	6.459	1.578	-1.674	0.098
	Female	19	7.120	1.258		

Effect of laws and regulations on fundraising	Male	64	6.934	1.417	0.107	0.915
	Female	19	6.895	1.400		
All sections	Male	64	6.792	1.238	-1.506	0.136
	Female	19	7.259	0.984		

Critical value of t at df "81" and significance level 0.05 equal 2.0

Table (E3): One way ANOVA test for differences refer to age in years

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	6.922	5	1.384	0.577	0.718
	Within Groups	184.839	77	2.401		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	6.435	5	1.287	0.883	0.496
	Within Groups	112.176	77	1.457		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	1.714	5	0.343	0.139	0.983
	Within Groups	190.116	77	2.469		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	2.644	5	0.529	0.256	0.936
	Within Groups	159.113	77	2.066		
	Total	161.757	82			
All sections	Between Groups	1.801	5	0.360	0.240	0.943
	Within Groups	115.354	77	1.498		
	Total	117.155	82			

Critical value of F at df "5,77" and significance level 0.05 equal 2.33

Table (E4): One way ANOVA test for differences refer to years of experience

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
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Effect of laws and regulations on charities governance and activities	Between Groups	15.617	3	5.206	2.335	0.080
	Within Groups	176.144	79	2.230		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	10.252	3	3.417	2.491	0.066
	Within Groups	108.359	79	1.372		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	8.228	3	2.743	1.180	0.323
	Within Groups	183.602	79	2.324		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	6.603	3	2.201	1.121	0.346
	Within Groups	155.154	79	1.964		
	Total	161.757	82			
All sections	Between Groups	6.397	3	2.132	1.521	0.216
	Within Groups	110.759	79	1.402		
	Total	117.155	82			

Critical value of F at df " 3, 79 " and significance level 0.05 equal 2.72

Appendix (F)

Statistical Tables

**(Re Organizational
Attributes)**

Table (F1): One way ANOVA test for differences refer to charity's headquarter

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	12.980	4	3.245	1.416	0.237
	Within Groups	178.781	78	2.292		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	8.367	4	2.092	1.480	0.216
	Within Groups	110.243	78	1.413		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	8.812	4	2.203	0.939	0.446
	Within Groups	183.017	78	2.346		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	2.742	4	0.685	0.336	0.853
	Within Groups	159.015	78	2.039		
	Total	161.757	82			
All sections	Between Groups	5.285	4	1.321	0.921	0.456
	Within Groups	111.870	78	1.434		
	Total	117.155	82			

Critical value of F at df " 4, 78 " and significance level 0.05 equal 2.49

Table (F2): One way ANOVA test for differences refer to charity's years of inception

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	4.268	2	2.134	0.911	0.406
	Within Groups	187.493	80	2.344		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial	Between Groups	6.114	2	3.057	2.174	0.120

procedures	Within Groups	112.496	80	1.406		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	15.275	2	7.637	3.461	0.036
	Within Groups	176.555	80	2.207		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	3.530	2	1.765	0.892	0.414
	Within Groups	158.227	80	1.978		
	Total	161.757	82			
All sections	Between Groups	5.922	2	2.961	2.130	0.126
	Within Groups	111.234	80	1.390		
	Total	117.155	82			

Critical value of F at df " 2,80 " and significance level 0.05 equal 3.11

Table (F3): One way ANOVA test for differences refer to charity's average annual expenditures

Field	Source	Sum of Squares	df	Mean Square	F value	Sig.(P-Value)
Effect of laws and regulations on charities governance and activities	Between Groups	17.914	4	4.479	2.009	0.101
	Within Groups	173.847	78	2.229		
	Total	191.761	82			
Effect of laws and regulations on accounting and financial procedures	Between Groups	2.856	4	0.714	0.481	0.750
	Within Groups	115.755	78	1.484		
	Total	118.611	82			
Effect of laws and regulations on HR management processes	Between Groups	12.619	4	3.155	1.373	0.251
	Within Groups	179.211	78	2.298		
	Total	191.830	82			
Effect of laws and regulations on fundraising	Between Groups	6.177	4	1.544	0.774	0.545
	Within Groups	155.580	78	1.995		
	Total	161.757	82			
All sections	Between	7.610	4	1.903	1.355	0.257

	Groups					
	Within Groups	109.545	78	1.404		
	Total	117.155	82			

Critical value of F at df " 4, 78 " and significance level 0.05 equal 2.49

Appendix (G)

Study Population

Study Population

(The biggest 100 Charities in term of 2012 total expenditures)

No.	Charity Name
1	Welfare Association (Foreign Branch)
2	Oxfam – UK (Foreign Branch)
3	Mercy Association for Relief and Development
4	Catholic Relief Services (Foreign Branch)
5	Qatar Charity (Foreign Branch)
6	Al-Ansar Charity Association
7	Norwegian Refugees Council (Foreign Branch)
8	Palestine Martyr Society (Foreign Branch)
9	Dar Al-Ketab wa Al-Sunna Association
10	Abd Al-Muhsen Qattan Foundation (Foreign Branch)
11	Palestinian Society for Development Training and Family Rehabilitation
12	Al-Salah Islamic Association
13	Scientific Council for the Salafiyeh Call in Palestine
14	Palestinian Medical Center Society
15	Norwegian People Aids (Foreign Branch)
16	Union of Health Work Committees
17	Al-Mujama Al-Islami Association
18	Palestinian Orphan House Association
19	Mercy Association for Children
20	Public Aid Society - Gaza
21	Muslim Girls Society
22	Al-Wafaa Charitable Association
23	Islamic Relief - France (Foreign Branch)
24	Palestine Red Crescent Society
25	Al-Rahma Charity Association

No.	Charity Name
26	Gaza Community Mental Health Programme
27	Al-Weaam Charitable Society
28	Assembly for Peace, Solidarity, and Relief
29	Middle East Council of Churches Department of Service for Palestinian Refugees (Foreign Branch)
30	Salam Society for Relief and Development
31	Islamic Zakat Society - Gaza Zakat Committee
32	Dar Al-Quraan Al-Karim wa Al-Sunna Association
33	International Relief Fund for Affected and Needy – IRFAN – Canada (Foreign Branch)
34	Nour Almarefa Charitable Association
35	Dar Al-Arqam Educational Society
36	Atfaluna Society for Deaf Children
37	Yardimeli – Turkey (Foreign Branch)
38	Islamic Relief Worldwide UK (Foreign Branch)
39	Reconstruction and Relief Charitable Association
40	Culture and Free Thought Association
41	Social Charitable Association
42	Mar Yohana Eye Hospital – San Jone - (Foreign Branch)
43	Al-Nusra Charitable Association
44	Right to Live Society
45	Health and Society Development Association - WESAL
46	Patient Friends Society
47	World Assembly for Muslim Youth (Foreign Branch)
48	Sahaba Medical Complex Society
49	Action against Hunger – ACF - (Foreign Branch)
50	Palestinian Welfare Home Society

	Charity Name
51	Sawaed Society for Relief and Development
52	Sahaba Association for Tahfez Holy Quran and Sharea Sciences
53	Ghaith Society for Relief and Development
54	Arab Medical Union (Foreign Branch)
55	National Association of Moderation and Development
56	Palestinian Environmental Friends Association
57	Community Bridges Initiatives Society
58	Al-Falah Charitable Association
59	Natuf for Environment and Community Development
60	Muslim Hands (Foreign Branch)
61	Save the Children - Palestine
62	Jabalia Rehabilitation Society
63	E'amar Association for Development and Rehabilitation
64	Al-Wedad Society for Community Development
65	Student Friend Society
66	Dar Al-Huda Society for Children Care
67	Aman Palestine Malaysia Society (Foreign Branch)
68	Deir El-Balah Disabled Rehabilitation Society
69	Assalama Charitable Society
70	Al-Aqsa Society for Relief and Development
71	Rawafed Society for Relief and Development
72	Ard El-Ensan Palestinian Charitable Society
73	Palestinians Relief and Development Fund - Interpal (Foreign Branch)
74	Prisoner Support and Human Rights Association - ADDAMEER
75	Humanitarian Relief, Human Rights, and Freedom Association – Turkey (Foreign Branch)

No.	Charity Name
76	International Medical Corps – IMC (Foreign Branch)
77	General Union of Cultural Centers
78	The National Society for Rehabilitation
79	The Society for Care of Handicapped in the Gaza Strip
80	Al-Quds Foundation (Foreign Branch)
81	Alahleya Association for the development of Palms and Dates
82	Makkah Charity
83	Medical International Aid - Premiere Urgence (Foreign Branch)
84	Women Palestinian Union Society
85	National Centre for Community Rehabilitation
86	Ibn-Baz Charitable Society
87	El-Amal Rehabilitation Society
88	Union of Health Care Committees
89	Brain and Body Care Center Society (Foreign Branch)
90	Abnaa El-Balad Charitable Association
91	Al-Maghazi Community Rehabilitation Society
92	The Palestinian Early Childhood Education Programmes Society
93	Waed Society for Detainees
94	Friends Society for People with Special Needs
95	Palestinian Association for Development and Reconstruction
96	Help Age International (Foreign Branch)
97	Alwefaq Palestinian Society
98	Palestinian Organization for Development
99	Al-Huda Developmental Society
100	Palestinian Association for Education and Environmental Protection

