



BROIDE & CO.
Certified Public Accountants (Isr.)

GUIDELINES FOR AMUTOT/NON-PROFITS

We thought it appropriate, at the start of the financial year, to highlight certain pertinent guidelines-issued by the Registrar of Amutot; the full version, in Hebrew, is available and we will be glad to e-mail it to you at your request.

A. ORGANS OF THE AMUTAH

The Amutah is required, by law, to have the following:

1. General Assembly(meeting).
2. Executive(management) committee.
3. Audit Committee(or alternate).

B. POWERS OF THE GENERAL MEETING:

1. Election of members of various committees.
2. Appointment of auditor.
3. Approval of annual financial statements.
4. Other material matters.

C. COMMITTEES

1. A person who provides services for financial compensation,not in respect of the position held, may not be a member of the executive or audit committees.
2. Members of these committees do have personal responsibility in fulfilment of their roles.
3. The audit committee is required to review the financial and related matters of the Amutah and its books of account, recommendation to the General Meeting to approve the annual financial statements, proper management of the Amutah and an annual(or quarterly) audit report.

D. TRANSFER OF FUNDS TO OTHER AMUTOT:

1. An Amutah that received government financial assistance,may not allocate/transfer funds to another Amutah.
2. The Registrar applies this ruling to all Amutot unless their Memorandum/Constitution provides otherwise and only in rare circumstances, or where the Amutah meets certain conditions.

E. CONFLICT OF INTERESTS:

1. In principle,related family members may not exceed 10% of the total employees or total salaries paid.
2. A majority of the executive committee should not be family-related.
3. Members of committees should avoid situations that create conflicts of interest.

This is a very summarized review of some of the guidelines and proper legal guidance should be taken before acting hereon or generally.

We will be glad to clarify and assist.

Warm Regards,

Jeff
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