The Effects of Compliance on the Results of Management of Support Foundations of Public Universities

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ABSTRACT
This work proposes to study Support Foundations that are private non-profit organizations which support public universities by managing their teaching, research and extension projects. These foundations are inserted as the Third Sector Institutions. The research targets verify if the compliance level affects the surplus probability of support foundations. The sample includes thirty-four support foundations. The accounting statements analyzed were the balance sheet; the deficit and/or surplus demonstration; the statement of changes in shareholders’ equity; the cash flow statement and the explanatory notes for the years 2014, 2015 and 2016. The analysis was performed by a checklist, including 31 (thirty-one) items. It is important to highlight that the data estimation was developed using the logit estimator, on a robust error panel and was included time and state dummies. The results showed that 55% (fifty-five per cent) of the Support Foundations comply with the current legislation. Once foundations are according to the legislation, its surplus probabilities decrease.

Keywords: Support Foundation, Accounting Standards, Compliance

Introduction
Third Sector organizations have been growing and consolidating in Brazil and appear in the form of foundations, associations and other forms (Dalto, Nossa, & Martinez, 2012; Mafra & Junqueira, 2018). Among the various types of foundations, Support Foundations are highlighted, that emerge to provide universities and federal institutes and state universities with a faster dynamics for carrying out activities resulting from teaching projects, research, extension, among others that, when directly performed by these educational entities, tend to be time-consuming and difficult to execute, mainly due to their bureaucratic procedures (Avila & Bertero, 2016).
Support Foundations receive financial resources from projects developed by researchers from universities and public institutes and which are presented to funding agencies and other funders, generating agreements, contracts and/or agreements as legal instruments (Lei 13.019/2014). After the signing of these, the Foundation may, through its legal instrument, use the goods and services of the entity, for the period necessary for the elaboration and execution of the teaching, research and extension project and for institutional, scientific and technological development and for stimulating innovation, through reimbursement previously defined for each project (art. 6 of Law 8.958 / 1994 as amended by Law no. 12.863/2013).

At the end of each project, the Support Foundations are accountable to the contracting, donor and/or convention institution of the financial resources received, through technical reports of project execution (art. 3rd-A of Law nº 12.863/2013). At the end of each financial year, a series of financial statements are prepared in accordance with the Resolution of the Federal Accounting Council – CFC nº 1.409/2012 (Balance Sheet, Income Statement for the Period, Statement of Changes in Equity, Statement of Cash Flows and Explanatory Notes). They are presented to the state prosecutor’s office for accountability (art. 2nd of Law nº 8.958/1994).

In this sense, the adoption of compliance proves to be a valuable practice aimed at achieving the purposes foreseen in terms of the agreement, contracts and/or agreements entered into to make better use of public and/or private resources (MacLean & Behnam, 2010; Malesky & Taussig, 2017). Compliance consists of a set of regulations that aim to ensure compliance with laws, guidelines and internal and external regulations to institutions (Desai, 2016; Durand, Hawn, & Ioannou, 2019), thus enabling the creation of an environment of trust and attraction of investments (Raaijmakers et al., 2015), as well as a note to the parquet that the legal requirements have been duly met.

For Mafra and Junqueira (2018), Durand, Hawn, and Ioannou (2019) compliance is the duty to comply, to be in compliance and to enforce internal and external regulations inherent to organizational activities, an example of the financial statements that must be presented by the Foundations of Support to the State Prosecutor’s Office. It is important to highlight that the disapproval of accountability makes it impossible for the Support Foundation to contract with public organizations for a period established by law, as well as culminating in administrative, civil and criminal offences (Negrão & Pontelo, 2014; Dalto, Nossa, & Martinez, 2012). Therefore, its adoption can mitigate this risk (MacLean & Behnam, 2010; Desai, 2016).

Given the above, as a research problem this work questions: Does the adoption of compliance affect the likelihood of deficit or surplus for Support Foundations? In this sense, the objective of this study is to evaluate whether the adoption of compliance affects the probability of deficit or surplus of Support Foundations.

The existence of little literature on compliance in the management of Support Foundations at public universities has sparked interest in furthering the topic and defined the focus of this article. This lack justifies the conduct of this research aiming at expanding knowledge about the incorporation of compliance practices by these foundations. Malesky and Taussig (2017) point out that empirical research on compliance for some types of organizations is difficult and rare,
which corroborates the need and importance of this study focused on the foundations mentioned above.

This article has a quantitative focus and researched 34 Support Foundations, in the states of Amazonas, Bahia, Ceará, Espírito Santo, Maranhão, Mato Grosso, Minas Gerais, Paraíba, Paraná, Pernambuco, Piauí, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, São Paulo, Santa Catarina and in Distrito Federal, for the years 2014, 2015 and 2016.

We used secondary data obtained through a checklist containing 31 questions adapted from Silveira and Borba (2010) and Resolution CFC nº 1.409/2012 that allowed to obtain necessary information for the elaboration of statistical analyzes and other correlation analyzes.

The findings of this research will serve as a practical contribution for the managers of the Support Foundations since the adoption of compliance practices can affect the surplus or deficit of the results of these institutions. This study also aims to contribute to the literature on compliance in the financial statements of Support Foundations, since these statements can only reflect the exact equity situation if they conform with accounting principles and rules because they are the ones that support the comparability of information and standardize the accounting understanding (Kaveski, Capes, & Scarpin, 2013).

**Support foundations**

In Brazil, Third Sector institutions are legally constituted as legal persons in the form of associations, societies, foundations, religious organizations and political parties as established by the Brazilian Civil Code – CC (2002). They are private, non-profit organizations that play an economic and social role in their place of operation (Kaveski, Capes, & Scarpin, 2013). Concerning Brazilian law, the Civil Code (2002) is the main legal guidelines dealing with the creation of these institutions.

As for foundations, the CC (2002) highlights that these institutions have peculiar characteristics about their purpose and the way they are created. In this sense, foundations are already born with equity from donations by their founders, presenting the form of administration and the analysis of the rendering of accounts regulated by the Civil Code (2002) and Resolution CFC nº 1.409/2012 and supervised by the state prosecutor.

Despite the existence of numerous forms of organizations in the Third Sector, the focus of this work is on Support Foundations, which are institutions created to support the administrative and financial management of teaching, research, extension, institutional, scientific and technological development projects and encourage innovation by federal and federal institutes and state universities (Lei nº 8.958/1994). After its creation and the registration of its statute in a notary, the Foundation starts its activities and, since then, has obligations conferred by the legislation, among them, to render accounts about their economic-financial performance (CC, 2002).

The organizational structure of the Support Foundations is similar, given that these institutions are composed of the same bodies: Curator Council, whose function is to formulate Foundation policies and strategies, as well as to observe the fulfilment of the objectives of its
Statute; Fiscal Council, whose function is to supervise economic and financial management and issue an opinion on the accounting evidence; and Executive Board or Advisory Board, whose function is the administrative management of the Foundation (IBGC, 2016).

Support Foundations are required to prepare their accounts in accordance with the accounting standards in force (Resolução CFC nº 1.409/2012) which, in addition to assisting them in decision-making through financial statements, are fundamental for the preparation of accountability to the Public Prosecutor’s Office of the state where the Foundation is headquartered (Silveira & Borba, 2010).

Concerning accounting procedures, there is no specific legislation for Support Foundations, making these organizations still need to adapt to more general legislation, such as, for example, Resolution CFC nº 1.409/2012, that talks about the rendering of accounts of the Non-Profit Institutions (Silveira & Borba, 2010). On the other hand, for questions related to the creation and realization of some specific processes, the end activities of these organizations are found in their legislation, which is detailed in Table 1.

| Legislation | Description |
|-------------|-------------|
| Law n.º 8.958, December 20, 1994, amended by Law No. 12,349, of December 15, 2010, and by Law n.º 12.863, September 24, 2013. | Legislation regulates the relationship between Federal Institutions of Higher Education and Scientific and Technological Research and Support Foundations. |
| Decree n.º 8.240, May 21, 2014. | Regulates the companies’ qualification agreements and criteria referred to in article 1-B of Law no. 8,958, of December 20, 1994. |
| Decree n.º 8.241, de 21 de maio de 2014. | Regulates Article 3 of Law No. 8,958, of December 20, 1994, to provide for the acquisition of goods and the contracting of works and services by support foundations. |
| Resolution CFC n.º 1.409/2012. | Approves ITG 2002, which discusses the accounting evidence for non-profit entities and guides the procedures for structuring the financial statements to be disclosed. |

Source: Authors’ own elaboration.

For Support Foundations, accountability is regarded as a crucial point in the transparency of their financial statements (Tacon, Waltersm, & Cornofoth, 2017). It must be structured according to the standards listed in Chart 1. It should be considered that the accounting reports are also an important means for management to demonstrate the situation of the organization and inform donors, contractors and conventions the use of funds received and the form of application (Carneiro, Oliveira, & Torres, 2011).

Support foundations and accountability

For Lacruz (2017), good governance practices, such as compliance, allow Third Sector institutions to have better conditions of access to funding sources since the control institutions and the financing institutions demand planning and accountability practices for management evaluation. This reason led Third Sector organizations to adopt market management practices to develop their activities better.

Regarding the governance practices of Support Foundations, accountability is seen as a crucial point in demonstrating the transparency of its management and accounting evidence (Tacon,
Walters, & Cornforth, 2017). It should also be noted that these institutions sought to qualify over time with a view to the efficiency of the results because, if they do not manage well, they will not be able to fulfil their objectives, which will be evidenced through the rendering of accounts (Piza et al., 2012; Lacruz, 2017).

As of 2008, the Federal Accounting Council adapted to the International Financial Reporting Standards – IFRS, which is an international standardization of the information in the financial statements (Maia, Formigoni, & Silva, 2012). Santos, Ponte, and Mapurunga (2014) argue that with the adoption of IFRS in Brazil, organizations sought to adapt to these standards since they excel in the quality of the disclosure of the financial and accounting statements.

In the conception of Maia, Formigoni, and Silva (2012), the objective of the IFRS was to universalize the accounting language, as it allows companies in the same segment, in different countries, present the same accounting language. This fact helps to facilitate decision-making and reduce differences in accounting practices between countries.

In order to adapt to IFRS by Third Sector organizations, including Support Foundations, the Federal Accounting Council issued a specific rule (Resolution CFC nº 1.409/2012) which guides the procedures to be followed and the ways of presenting the accounting evidence. This standard describes how Support Foundations should adapt their financial statements: Balance Sheet, Statement of Income for the Period, Statement of Changes in Equity, Statement of Cash Flows and Explanatory Notes (Piza et al., 2012; Kaveski, Carpes, & Scarpin, 2013), which must be sent to the state prosecutor’s office for analysis and issuing an opinion indicating approval, approval with caveats or rejection (Art. 5º, I, II, III da Lei nº 13.019/2014).

Thus, in order to comply with accounting standards, Support Foundations have sought to adopt compliance practices, that have the objective of keeping the organization in compliance to comply with the regulations of the regulatory agencies (Maia, Formigoni, & Silva, 2012). Compliance also seeks to organize documentation and internal procedures, managing accounting information properly and striving for transparency, fundamental to identify any flaws in the compliance with the regulations, which can culminate in administrative, civil and criminal infractions (Ramos & Klann, 2015). After the preparation of the statements in accordance with CFC Resolution No. 1409/2012, accounting information is released.

Compliance

For MacLean and Behnam (2010), Malesky and Taussig (2017), Pryor Jr. et al. (2018), compliance is a system that depends on multiple structures that include people, processes, electronic systems, documents, actions and ideas. It consists of different pillars, namely: a) top management support to prevent, detect and punish unethical conduct; b) risk assessment, which involves planning, analyzing data and establishing necessary remediation measures; c) drafting of a code of conduct, which is the company’s stance concerning various matters related to its business practices; d) internal controls, which are formalized mechanisms of the organization’s policies and procedures, which, in addition to minimizing operational risks, ensure that accounting and financial books and records fully and precisely reflect the organization’s business
and operations, such as the financial statements (Balance Sheet, Income Statement for the Period, Statement of Changes in Equity, Statement of Cash Flows and Explanatory Notes).

Durand, Hawn, and Ioannou (2019), consider that to integrate compliance requirements into its management, organizations allow associating them with their results, like performance or social impact in decision-making processes and return to society. In this sense, Sandenberg et al., (2018) point out, regarding the pillars, that the commitment of top management to the establishment of strategies that provide for risk assessment and management, to be either in the sense of minimizing them or in the direction of maximizing opportunities, they become compatible with the fulfillment of the organization’s objectives.

For the effectiveness of the compliance program, its pillars must be observed, mainly, the commitment of top management. Thus, despite being a great challenge, the construction of an effective compliance system should be regarded as an opportunity for the organization to ensure a standard of operational excellence, to reduce reputational risks, mitigate probabilities of legal liabilities and promote their values (Silveira 2014; Alonso & Andrews, 2019).

In Brazil, Law nº 12.846/2013, known as the Anti-Corruption Law, once again raised the importance of structuring ethics and compliance activities in organizations as a way of reducing legal liabilities. It envisages that the existence of internal programs, in order to ensure compliance with standards, is taken into account for mitigating penalties (Silveira, 2014).

Concerning Support Foundations, they manage projects and programs for teaching, research and extension, for institutional, scientific and technological development, and for stimulating innovation, from universities or institutes that support them. With this, they move public resources from covenants, contracts and/or signed agreements, which obliges them to account for these resources (Silveira & Borba, 2010). In this way, the adoption of compliance proves to be a valuable practice for the presentation of the financial statements, showing the compliance in the application of public and/or private resources received (MacLean & Behnam, 2010; Silveira, 2014; Malesky & Taussig, 2017).

Compliance aims to keep the organization in compliance with the requirements of regulatory bodies such as the Federal Court of Accounts, Federal Comptroller General, state prosecutors and other institutions (Silveira & Borba, 2010; Maia, Formigoni, & Silva, 2012). It is not just a matter of complying with legislation, but also with regulations and internal rules of the institution itself, and it is present in the organizations of the first, second and third sectors, involving the entire strategic part of the organization. Organizational results demonstrate how closely compliance actions are in line with policies, guidelines, standards, regulations, laws and procedures (MacLean & Behnam, 2010; Raaijmakers et al., 2015; Desai, 2016).

**Methodology**

In initial surveys, studies similar to this one was identified in the technical literature, involving foundations in a general way. However, no research has been identified specifically addressing Support Foundations that are linked to universities and public institutes and operate in teaching,
research and extension projects and institutional, scientific and technological development and to stimulate innovation, which became one of the motivators of this study due to its originality.

This investigation has a descriptive character and was carried out through quantitative analysis. The present study had a sample of 34 Support Foundations for public universities, out of a population of 100 Foundations registered on the website of the National Council of Support Foundations for Institutions of Higher Education and Scientific and Technological Research – CONFIES (CONFIES, 2019). The data collection technique used was based on secondary data, obtained from searches on the institutional sites of the Support Foundations registered in CONFIES.

The 34 support foundations are from the states of Amazonas, Bahia, Ceará, Espírito Santo, Maranhão, Mato Grosso, Minas Gerais, Paraíba, Paraná, Pernambuco, Piauí, Rio de Janeiro, Rio Grande do Norte, Rio Grande do Sul, São Paulo, Santa Catarina and in Distrito Federal. The data collected for analysis were: Balance Sheet, Statement of Income for the Period, Statement of Changes in Equity, Statement of Cash Flows and Explanatory Notes (which are an integral part of the Balance Sheet), for the years 2014, 2015 and 2016.

To find out if Support Foundations use all the financial statements provided for in Resolution CFC nº 1.409/2012, a checklist elaborated from this resolution was used, of the Brazilian Accounting Standard TG nº 26 and Silveira and Borba (2010). The checklist has 31 verification items based on current legislation, referring to specific accounting standards for the Third Sector, including Support Foundations, with a dummy being formulated to identify the results: 1 - refers to the item in conformity and 0 - for an item in non-conformity.

**Data analysis**

For data analysis, descriptive statistics was adopted to make a first assessment of the behaviour of the data. We conducted a correlation analysis to check for possible multicollinearity problems between variables. Table 2 presents the descriptive statistics of the variables used in this research in relation to the analyzed sample, considering three years (2014, 2015, & 2016) of 34 Support Foundations, totalling 102 observations.

| Variables       | N   | Mean | Standard deviation | Minimum | Maximum |
|-----------------|-----|------|--------------------|---------|---------|
| Compliance      | 102 | 0.551| 0.181              | 0       | 0.903   |
| Deficit/Surplus | 102 | 1.751| 5.663              | -2.235  | 3.883   |
| Number of Founds | 34  | 34   | 34                 | 34      | 34      |

Source: Authors’ own elaboration.

It is noted that the average level of compliance of the 34 Support Foundations, in the studied period, was 55%. It should be noted that once in non-compliance, Support Foundations can be considered irregular for hiring by the public, private and other organizations. According to Piza et al. (2012), the importance of accounting disclosure in Third Sector organizations, in accordance with accounting standards, collaborates in the preparation of financial reports to evaluate the good use of the resources received.
In line with the findings of this study on compliance, Silveira and Borba (2010) analyzed the conformity of the accountability of the foundations of Education and Research of Santa Catarina with the accounting standards, with a sample of 39 foundations and coverage of 117 financial statements for the years 2004, 2005 and 2006. In the study by Silveira and Borba (2010), a general level of compliance of the financial statements of 67% was identified. These results reinforce the need for transparency and the adoption of compliance practices, as suggested by Malesky and Taussig (2017).

The statement of deficit/surplus for the financial year in the Support Foundations shows the composition of the result formed in a given period of operations of the institution (Assaf Neto, 2015). The data collected point to an average deficit/surplus for the foundations of 1,751. When the Foundation has a surplus, this value is reinvested in itself and the supported university or institute.

Table 2 shows the correlation between the variables, considering the total sample of 102 observations. The independent variable Compliance showed a negative correlation with the variable Deficit / Surplus reinforcing the finding that the adoption of compliance practices implies a deficit in Support Foundations.

Table 3. Correlation table

| Variables      | (1) | (2) |
|----------------|-----|-----|
| (1) Deficit/Surplus | 1.000 |     |
| (2) Compliance    | 0.125 | 1.000 |

Source: Research data.

To estimate the regression model in table 3, the logit estimator was used because the dependent variable is qualitative (binary). The model aims to estimate the probability of observation with the characteristics of a specific category. It is also a regression adjustment when the dependent variable is binary (Gujarati & Porter, 2011). Due to the dichotomous nature of the dependent variable, it is appropriate to use a logit regression. Thus, as an appropriate way of employing models based on qualitative choices, logit uses distribution functions to perform the calculation. This is because these functions have a binary or dichotomous dependent variable. For this reason, this research opted for this model in order to use a binary variable to identify whether the researched institutions complied or not with the financial statements.

Table 4. Regression

| Variables      | Dep.   |
|----------------|--------|
| Compliance     | -14.470*** |
|                | (5.897) |
| Constant       | -1.715*** |
|                | (653.300) |
| Observations   | 102    |
| Number of Foundations | 34    |

Robust errors in parentheses.*** p<0.01, ** p<0.05, * p<0.10
The dependent variable of this research is Deficit/Surplus, which is a dummy equal to 1 if the Foundation had a surplus and 0 if there was a deficit. The explanatory variable compliance was statistically significant, with a negative coefficient. Thus, the higher the level of compliance of the Support Foundation, the less likely it is to have a surplus. After analyzing the financial statements of 34 Support Foundations for universities and public institutes, the results lead to the observation that, in the current scenario, these Foundations are increasingly professionalized and committed to managing well the projects of universities or institutes that support, since 55% of foundations surveyed comply with the evidence in their financial statements. However, the results of the regression suggest that when the Foundation complies with the accounting evidence, the probability of being in surplus decreases. Thus, the objective of the study was reached to verify if the adoption of compliance practices affects the probability of deficit or surplus of the Support Foundations, suggesting the results that the adoption of compliance negatively affects the likelihood of a surplus of these Foundations.

Final considerations
The purpose of the Support Foundations is to streamline teaching, research and extension projects and institutional, scientific and technological development and to stimulate innovation by universities and public institutes since they are unable to speed up their processes due to state bureaucracy. However, deficiencies in the financial statements of these Foundations can hinder the progress of the projects of the university or institute they support, should their accounts be disapproved. Account disapproval is not always about illegality. May be related to non-compliance, such as when a Foundation fails to present an accounting statement requested by the supervisory body (Carneiro, Oliveira, & Torres, 2011). Such a situation can cause the Foundation to have its accounts disapproved, leading to both the suspension of the contracts it manages and the possibility of being prevented from contracting with public institutions for a given period (Lei 13.019/2014). It is worth mentioning that a Support Foundation that complies with the legislation and regulations, adopting compliance practices, it gains visibility before the public and private organizations. This factor leads to increased management of covenants, contracts, letters of donations and partnership terms. This investigation verified if the adoption of compliance practices affects the probability of deficit or surplus of the Support Foundations. Thus, this research contributes to the field of knowledge about compliance in the financial statements of Third Sector organizations, in particular Support Foundations, considering the existence of a few scientific publications on the topic.

A limitation of the research must be informed: this is the sample size. However, although the sample is relatively small, the results are valid and reflect, albeit partially, the reality of the Support Foundations. This work represented a challenge due to its originality and the scarce theoretical framework on the subject, which is why new research must be developed. Subsequent studies will improve the conceptual basis, methods and analysis models, making the field of knowledge advance.
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Appendix: Checklist to identify the presented information

| Item of verification | Source |
|----------------------|--------|
| 01 Did the Foundation present Balance Sheets? | |
| 02 Did the Foundation present Balance Sheets? | |
| 03 Did the Foundation present a Statement of Changes in Social Equity? | |
| 04 Did the foundation present Cash Flow Statements? | |
| No. | Question                                                                                                                                                                                                 | Source                                                                                      |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 05  | Did the Foundation present Explanatory Notes?                                                                                                                                                              | Author’s own elaboration based on Resolution CFC nº 1.409/2012, of the Brazilian Accounting Standard TG nº 26 and Silveira & Borba (2010). |
| 06  | The Foundation presented an Activity Report in addition to the Explanatory Notes.                                                                                                                        |                                                                                             |
| 07  | Does the Foundation present criteria for preparing the Allowance for Loan Losses?                                                                                                                          | Balance Sheet                                                                              |
| 08  | Does the Foundation register the funds of the Covenants in its own asset and liability accounts?                                                                                                        | Balance Sheet                                                                              |
| 09  | Does the foundation record the value of the surplus or deficit for the year in its own balance sheet?                                                                                                     | Balance Sheet                                                                              |
| 10  | Does the Foundation present Shareholders’ Equity in its own balance sheet?                                                                                                                                  | Balance Sheet                                                                              |
| 11  | Does the foundation record donations, grants and contributions to fund the asset’s accounts?                                                                                                             | Balance Sheet                                                                              |
| 12  | Did the foundation present “Balance at the Beginning of the Year” of the Statement of Changes in Equity that matches the “Balance at the End of the Year” presented the previous year? | Statement of Changes in Equity                                                              |
| 13  | Did the Foundation present the net income for the period in the Statement of Changes in Equity?                                                                                                           | Statement of Changes in Equity                                                              |
| 14  | Did the Foundation present the balance at the end of the period in the Statement of Changes in Equity?                                                                                                     | Statement of Changes in Equity                                                              |
| 15  | Did the Foundation present the compensation for losses in the Statement of Changes in Equity?                                                                                                           | Statement of Changes in Equity                                                              |
| 16  | Does the Foundation use the Competency Regime in its Accounting?                                                                                                                                           | Statement of Surplus or Deficit                                                            |
| 17  | Does the Foundation have value as a surplus or deficit that is equivalent to the difference between the income and expenses shown in the statements?                                                   | Statement of Surplus or Deficit                                                            |
| 18  | Does the foundation record expenses with social charges?                                                                                                                                                    | Statement of Surplus or Deficit                                                            |
| 19  | Does the foundation record INSS expenses relate to the provision of third party services?                                                                                                               | Statement of Surplus or Deficit                                                            |
| 20  | Does the foundation account for the depreciation of its fixed assets?                                                                                                                                      | Demonstração de Superávit ou Déficit                                                        |
| 21  | Does the foundation account for the amortization of its deferred assets?                                                                                                                                     | Statement of Surplus or Deficit                                                            |
| 22  | Does the foundation show in the Statement of Surplus or Deficit all sources of revenue?                                                                                                                    | Statement of Surplus or Deficit (Sources of Funds)                                           |
| 23  | Does the Foundation account for income from financial investments in the Cash Flow Statement?                                                                                                               | Cash Flow Statement                                                                         |
| 24  | Does the Foundation account for adjustments from the previous year in the Cash Flow Statement?                                                                                                              | Cash Flow Statement                                                                         |
| 25  | Does the Foundation account for a specific account in the Cash Flow Statement with funds from agreements and contracts?                                                                                       | Cash Flow Statement                                                                         |
| 26  | Does the Foundation account for depreciation and/or amortization in the cash flow statement?                                                                                                               | Cash Flow Statement                                                                         |
| 27  | Does the Foundation present criteria for the revaluation of its fixed assets?                                                                                                                               | Explanatory Notes                                                                          |
| 28  | Does the Foundation present in its Explanatory Notes the amounts referring to the exemption from social security contributions?                                                                            | Explanatory Notes                                                                          |
| 29  | Does the Foundation present interest rates, maturity dates and guarantees for long-term obligations in its Explanatory Notes?                                                                               | Explanatory Notes                                                                          |
| 30  | Does the Foundation present in its Explanatory Notes information about the types of insurance contracted?                                                                                                | Explanatory Notes                                                                          |
| 31  | Does the Foundation present in its Explanatory Notes its revenues with and without gratuity in a segregated manner, and the tax benefits enjoyed?                                                          | Explanatory Notes                                                                          |
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Conflict of Interests
No, there are no conflicting interests.

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