

## **ABSTRACT**

All organizations, both profit or non-profit require to exist and stay alive in an ever changing situation. To ensure the existence, a governance framework is crucial. An organization without corporate governance is identical to a body without a soul. Corporate Governance is a system by which organizations are directed, controlled and held to account. It provides the structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined. By strengthening the role and the responsibility of governing boards, increasing the amount and quality of disclosure and enhancing accountability of corporate executives, it helps organization formalize business and decision making processes, also establish the appropriate checks and balances. Therefore a good corporate governance is substantial.

This research is intended to study corporate governance in a non-profit organization, namely Sion Foundation in Indonesia. It is discovered at the moment, there is a lack of confidence among the non-profit organization actors about what they are actually able to achieve and how to achieve it, both internal governance as well as external performance, therefore it becomes the subject of scrutiny. The purpose of this study is to explore corporate governance based on good governance principles, to know and analyze board's performance. In order to attain those objectives, the methodology used was focused on interview, literature and observation.

The research demonstrates the impact that by applying good governance consistently and improving governing board capacity can contribute for organizational stability. Yet, the findings obtained that Sion foundation is faced by some challenges including lack of capacity of governing boards and inadequate financing. Therefore on the basis fundings, some changes are recommended for enhancing corporate governance of this organization.