

**ABSTRACT**

**GOOD FOUNDATION GOVERNMENT PRINCIPLES**

The foundation as a legal entity (*rechtspersoon*) is recognized for its existence since the promulgation of Law Number 16 Year 2001 concerning the Foundation, on August 6<sup>th</sup>, 2001. The Foundation is a legal entity consisting of assets which are separated and intended to achieve certain objectives in the social, religious and humanitarian fields who do not have members.

This dissertation starts from describing three formulations of the problem, namely the principle of the founding of the foundation, the principles of good governance in the foundation and the governance principles of the establishment of a foundation business entity that does not conflict with the foundation's principles. This dissertation research uses normative legal research types commonly used in the development of Legal Sciences, which includes inventorying, describing and interpreting, systematizing and also evaluating the whole positive law that applies in society, with concepts, notions, theories which was formed and developed to carry out all these activities, by carrying out several approaches in the form of statute approach, conceptual approach, comparative approach and case approach, and combined with the source of primary legal materials as well as sources of secondary legal materials. Management and analysis of legal materials is the process of collecting legal materials through inventorying to carry out the management and analysis of existing legal materials. All sources of legal material collected in this study both primary and secondary legal materials, are managed according to the character of normative legal research.

The results of this dissertation research are based on the formulation of the existing problem, namely that the foundation as a legal entity must place the position of the foundation as a non-profit legal entity without a motive to seek profit. The advantage that the foundation gained in establishing a foundation business entity was only as a support for the smooth achievement of the goals and objectives of the foundation by applying the idiotic principles. The foundation as a legal entity in the new paradigm of the foundation must carry out the principles of good foundation governance by carrying out the principles of transparency, accountability, responsibility, responsibility, independence and fairness. Whereas the establishment of a foundation business entity must be in accordance with the purpose and objective of the establishment of the foundation. The foundation should be a legal entity to strengthen the internal and external supervision processes of the foundation. The high level of conflict in the foundation is appropriate for the settlement of the conflict brought to the realm of *alternative dispute resolution (ADR)*, namely the resolution of conflicts through consensus deliberations by respecting the rights and interests of the parties to the dispute.

**Keywords: Foundation, Legal Entity, Principles of Good Governance.**