
STANDARDS OF ETHICS

FOR NONPROFIT ORGANIZATIONS IN UTAH

I. MISSION AND EVALUATION

A) MISSION.

- 1) The mission of an ethical nonprofit organization is developed, defined, and formally approved by the Board of Trustees. Its activities and programs are consistent with its mission.
- 2) An ethical nonprofit is always aware that its mission is accomplished through the generosity of others, and it owes its benefactors programs which are competently managed and needed.
- 3) An ethical nonprofit organization furthers the best interests of the community and citizens through all of its activities and programs.

B) EVALUATION.

An ethical nonprofit organization periodically revisits its mission to determine if the need for its programs continues to exist, its mission needs to be modified, its programs should be revised or discontinued, or new programs are needed.

II. GOVERNING BODY

An ethical nonprofit organization is governed by a volunteer Board of Trustees which represents, reflects, and actively engages the community it serves. The board determines the mission of the organization, establishes governing policies, and monitors the organization's financial and programmatic performance.

III. CONFLICT OF INTEREST

- A) Members of the Board of Trustees and staff of an ethical nonprofit act in the best interest of the nonprofit organization, rather than on the basis of personal interests or the interests of third parties.
- B) An ethical nonprofit organization has policies in place, and routinely and systematically uses these policies, to prevent actual, potential, or perceived conflicts of interest.

IV. HUMAN RESOURCES

A) HUMAN RESOURCE POLICIES.

An ethical nonprofit organization has human resource policies in place that address both paid employees and volunteers. Such policies establish clear expectations, and provide for meaningful and effective performance evaluation.

B) DIVERSITY POLICIES AND PRACTICES.

An ethical nonprofit organization embraces a philosophy that values diversity, which its Board and staff actively strive to ensure throughout the organization.

V. FINANCIAL AND LEGAL ACCOUNTABILITY

An ethical nonprofit organization practices sound financial management and complies with legal and regulatory requirements. Its financial systems ensure that accurate financial records are kept and that financial resources are used to further its mission and charitable purposes. It conducts periodic financial reviews to address regulatory and liability concerns.

A) FINANCIAL ACCOUNTABILITY.

- 1) An ethical nonprofit organization creates and maintains financial reports on a timely basis that accurately portray its financial status and activities.
- 2) An ethical nonprofit provides timely internal financial statements to all trustees. Internal financial statements identify and explain any material variation between actual and budgeted revenues and expenses.
- 3) An ethical nonprofit organization makes its annual financial reports available to the public.
- 4) An ethical nonprofit organization provides employees and others with a confidential means to report suspected financial impropriety or misuse of its resources.
- 5) An ethical nonprofit organization has written financial policies governing: (a) investment of its assets; (b) internal control procedures; (c) purchasing practices; and (d) reserve funds.

B) LEGAL COMPLIANCE AND ACCOUNTABILITY.

An ethical nonprofit organization is aware of and complies with all applicable federal, state, and local laws. This may include, but is not limited to: complying with laws and regulations related to fund raising; licensing; financial accountability; human resources; lobbying and political advocacy; and taxation.

VI. OPENNESS

- A) Upon request and periodically, an ethical nonprofit organization provides the public with truthful information about its mission, program activities, and finances.
- B) An ethical nonprofit organization is accessible and responsive to members of the public who express interest in the affairs of the organization.

VII. FUND RAISING

An ethical nonprofit organization must respect the interests and intentions of its donors, clients or patrons, and the general public and be managed with the highest level of professionalism and integrity. Unethical fund raising practices threaten public trust and confidence in the entire nonprofit sector.

A) LEGAL COMPLIANCE.

An ethical nonprofit organization that solicits donations from the public is properly organized as a tax-exempt charity, and is in compliance with both the spirit and the letter of all local, state and federal laws governing charitable solicitations.

B) FUND RAISING ACTIVITIES.

- 1) An ethical nonprofit uses solicitation and promotional materials that are accurate and truthful and identify the organization, its mission, and its intended use of solicited funds.
- 2) An ethical nonprofit organization does not engage in solicitation tactics that are coercive, intimidating, or deceptive.
- 3) An ethical nonprofit shall respect the integrity, privacy, and pride of its clients or patrons. Specifically, it does not use clients, their pictures or their case histories in any publicity or fund raising activities without prior written consent.

C) USE OF GIFTS AND REPORTING.

- 1) An ethical nonprofit insures that contributions are used in accordance with donors' intentions and obtain explicit consent before altering the intended use of a restricted gift.
- 2) An ethical nonprofit organization accurately records and receipts gifts and reports to donors and the public in a timely way on the use and management of contributed funds. Upon request they shall provide information about their case for support, financial condition, use of donations, and fiscal responsibility, while respecting the privacy of donors.
- 3) An ethical nonprofit organization encourages donors to obtain informed and ethical advice about the value and tax implications of potential gifts.

D) FUND RAISING MANAGEMENT.

- 1) An ethical nonprofit informs the board, staff and volunteers of ethical finance and fund raising practices and their importance to the integrity of the organization and its mission.
- 2) An ethical nonprofit organization assumes responsibility for its own actions and the actions of all others, whether paid or unpaid, acting on their behalf.
- 3) An ethical nonprofit organization's fund raising costs are not excessive in relation to the costs of programs and activities directly related to its mission.
- 4) An ethical nonprofit organization compensates development staff with a salary or fixed fee, and not by percentage-based compensation or a commission. It shall not pay any fee to a third party as a condition for the completion of a gift.

VIII. PUBLIC POLICY ADVOCACY

A) POLICIES.

An ethical nonprofit organization that takes public policy positions, has written internal policies in place that define the process it uses to decide whether it should take a stand on specific public policy issues, and the public policy positions it takes.

B) QUALITY OF INFORMATION.

An ethical nonprofit organization provides only factually accurate information to the media and the public, and provides sufficient contextual information so its public information can be understood.

IX. INFORMATION MANAGEMENT

A) Structure. An ethical nonprofit organization has policies in place that identify who has access to certain information and security procedures in place to prevent unauthorized access.

B) Confidentiality of Information. An ethical nonprofit organization ensures that personal information on individual clients, employees and others is confidential unless permission to release information has been obtained.

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