



Standards of Ethics

For Nonprofit Organizations in Utah



UTAH NONPROFITS ASSOCIATION ETHICS POLICY

In January of 2001, the UNA Board of Directors established September 1, 2001 as the implementation date for the UNA Standards of Ethics. As of September 1, membership renewals and new applicants to the organization will be asked to accept the Ethics Standards with a board resolution at some time during the ensuing year.

A sample resolution, ready for signature, is included for your convenience. It must be signed only once, in the first year. The resolution states that your organization affirms the standards and is working to achieve them. An organization that cannot affirm the Standards will not be able to renew membership in UNA after that first year.

There is also an annual check-off form, to be signed by your board chair and executive officer, indicating the standards that your organization meets and those that you are still working to achieve. It is an acceptable option for members to indicate they are working toward compliance if they do not yet meet a given standard. The annual check off form will be an indicator of the areas in which UNA must begin to offer enhanced guidance and training to its members.

The intent of this policy is to educate the nonprofit sector in Utah, to raise the quality of ethical management in Utah nonprofits, and to lift up the nonprofits in our community that demonstrate genuine integrity. It should provide enhanced protection for our members, mitigate the need for outside watchdogs, and reveal to donors those organizations that most merit their trust and confidence.



STATEMENT OF CORE VALUES

As members of the Utah Nonprofits Association, we affirm the following core values:

Integrity. Our organizations' activities, services, and programs are consistent with our stated missions, compatible with our organizational capacity, respectful of the interests of our varied constituencies, and managed with the highest level of professionalism.

Respect and dignity. We respect the dignity and autonomy of each person, and the integrity, privacy, pride, beliefs, and cultures of our varied constituencies—the people we serve, our employees, donors, volunteers, and others. Policies that govern our working relationships with these constituencies (e.g., client confidentiality, fair process) reflect this commitment.

Good citizenship. We comply with all applicable federal, state, and local laws and regulations. We keep the broader interests of the community in mind even as we advance our own specific interests, and look for opportunities to become partners with those working in the private and public sectors. We value respectful, reasoned dialogue with one another when we disagree.

Care and loyalty. As organizations we enable our individual board members to exercise their duties of care and loyalty. Individual board members are reasonably informed and participate in board decisions

in good faith. They do not use their position for individual personal advantage.

Truth-telling and openness. We provide truthful information about our missions, program activities, use of donations, and finances. We are accessible and responsive to members of the public who express an interest in the affairs of our organizations.

Accountability. The true measure of our success as nonprofits is whether individual lives—and our communities—change for the better as a result of our work. Being mission-focused, producing measurable outcomes, conducting program evaluations, and developing and maintaining sound financial management are important elements of our accountability.

Stewardship. We are able to accomplish our missions through the generosity of others. We respect donors' intentions and restrictions on the use of their gifts, and promote responsible stewardship of the resources they entrust to us for the accomplishment of our work.

Excellence. We support and encourage visionary governance, exemplary management, excellent service and program delivery, and exceptional staff. We value and uphold the highest ethical and professional standards in all working relations.



STANDARDS OF ETHICS

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I. MISSION AND EVALUATION

A) Mission.

1) The mission of an ethical nonprofit organization is developed, defined, 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 services. 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.



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V. FINANCIAL AND LEGAL ACCOUNTABILITY – cont'd.

- 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.

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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.



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VII. FUND RAISING – cont'd.

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

Portions of the Standards of Ethics for Nonprofit Organizations in Utah are based on the Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector, Copyright 1998, and are used with the permission of the Maryland Association of Nonprofit Organizations.



ETHICAL STANDARDS AFFIRMATION STATEMENT

For _____
(name of organization)

(date)

We, the undersigned, hereby attest that we have reviewed the Utah Nonprofits Association's Standards of Ethics and for each of the nine areas listed below, our organization is committed to the standards and is actively engaged in good faith efforts to meet each of them, or already meets the standards.

I MISSION AND EVALUATION

___ We meet the standards ___ We are working to meet the standards

II GOVERNING BODY

___ We meet the standards ___ We are working to meet the standards

III CONFLICT OF INTEREST

___ We meet the standards ___ We are working to meet the standards

IV HUMAN RESOURCES

___ We meet the standards ___ We are working to meet the standards

V FINANCIAL AND LEGAL ACCOUNTABILITY

___ We meet the standards ___ We are working to meet the standards

VI OPENNESS

___ We meet the standards ___ We are working to meet the standards

I FUND RAISING

___ We meet the standards ___ We are working to meet the standards

VIII PUBLIC POLICY ADVOCACY

___ We meet the standards ___ We are working to meet the standards

IX INFORMATION MANAGEMENT

___ We meet the standards ___ We are working to meet the standards

Board Chair

Executive Director

Date

Date

(over)

RESOLUTION BOARD OF DIRECTORS OR TRUSTEES

The Board of Directors/Trustees of _____ (name of nonprofit organization), in a regular meeting at which a quorum was present, reviewed the Utah Nonprofits Association's "Standards of Ethics." We the Board of Directors/Trustees hereby affirm that our organization is committed to meeting the standards and is actively engaged in good faith efforts to meet each of them, or already meets the standards.

This resolution was passed by a _____ (majority/unanimous) vote of the Board of Directors/Trustees during its regular meeting of _____ (date), and this Resolution has been recorded in the permanent minutes.

Signed by:

_____ On _____
Secretary Date

For the Board of Directors/Trustees _____
(name of organization)