

Code of Business Conduct and Ethics – SAMPLE

SAMPLE Nonprofit Organization Name

CODE OF CONDUCT AND ETHICS

The purpose of this Code of Conduct and Ethics (the “Code”) is to describe standards of conduct and business ethics expected of the directors, officers, committee members, volunteers and employees of _____ NONPROFIT AGENCY NAME _____ (“NP”). Directors, officers, committee members, volunteers and employees of NP must strictly adhere to the letter, intent and spirit of this Code and of all laws, rules and regulations applicable to the conduct of NP’s activities and must exercise high standards of integrity and sound ethical judgment. If an officer or employee violates any portion of the Code, or knowingly permits an employee under his or her supervision to do so, it could result in stern disciplinary action including reprimand, loss or reduction of compensation, seniority or promotional opportunity, demotion, suspension or discharge.

The Code shall include and be applicable to immediate family and in-laws. While it is recognized that an individual may not be able to control or influence the acts or omissions of these persons, it is the responsibility of directors, officers, committee members, volunteers and employees to fully disclose any matter that would violate the Code.

The principles set forth herein are not designed to govern all matters, events or situations possible. A waiver of the conflict of interest section of the Code for any director, officer, committee member, or employee of NP may be granted only by the Audit Committee, which will report any such waiver to the Board of Directors. No other such waivers will be granted.

LEGAL COMPLIANCE. NP shall comply with all governmental laws, rules and regulations in all of its activities. This means that directors, officers, volunteers and employees are to avoid any activity that involves or could lead to the involvement of NP, its assets or its directors, officers, volunteers or employees in any unlawful practice.

It is the personal responsibility of all directors, officers, committee members, and employees to acquaint themselves with the legal standards and restrictions applicable to their duties and responsibilities and to conduct themselves accordingly. Failure to comply with legal requirements not only is a violation but it also is inconsistent with NP’s commitment to be a responsible citizen in the communities that it serves. Over and above the strictly legal aspects, however, directors, officers, committee members, volunteers and employees are expected to observe the additional standards of business and personal ethics specified in the Code and to conduct themselves in a manner that would not be an embarrassment or detriment to NP. Because violations of laws can result in civil damages, criminal penalties and fines for NP, directors, officers, committee members, volunteers and employees should contact the Chairman of the Audit Committee if any issues arise regarding the Code or the law.



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COMMUNICATIONS. All Agency communications, whether external or internal, shall be accurate and complete. All accounting for donations and distributions shall be done in a manner that is not only acceptable accounting, but also enables a good and accurate understanding of the business affairs for donors, clients and the community.

The CEO and senior officers responsible for making public communications about the operations and business condition of NP shall cause full, fair, accurate, timely and understandable disclosure in public communications about NP. Only persons who have been specifically assigned the responsibility to make public communications on behalf of NP may do so.

FAIR DEALING. Agency directors, officers, committee members, volunteers and employees should endeavor to deal fairly with NP’s donors, clients, employees of clients, suppliers’ employees and others.

No director, officer, committee member, volunteer or employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

CONFIDENTIAL INFORMATION. Directors, officers, committee members, volunteers and employees shall protect NP’s confidential information as well as that of its donors, clients, suppliers, volunteers, fellow employees and others who disclose any information to NP on a confidential basis. NP’s policy is that all information developed or shared as the result of its activities is proprietary to NP and an important asset in the operation of NP’s services, and the unauthorized use or disclosure of this information is prohibited.

It is understood that directors, officers, committee members, volunteers and employees of NP are to perform and exercise all consultative and advisor services to contracted, nonprofit client organizations in accordance with the highest traditions of professional ethics. It is vital to the successful functioning of the consultative process that all details of client consultations be held in complete confidence. Every effort must be made to prevent the disclosure of such confidences with the client’s express consent.

Much of the information NP develops in research, client needs analysis, and donor solicitation is original in nature and its protection is essential to NP’s continued success. Such information shall be safeguarded. This information shall be protected by all NP directors, officers, volunteers and employees and not disclosed to outsiders. Its loss through inadvertent or improper disclosure could be harmful to NP. In addition, NP respects the property rights of others to their proprietary information and directors, volunteers and employees are required to fully comply with both the spirit and the letter of U.S. and foreign laws and regulations protecting such rights.

- **Disclosure of Confidential Information.**

To protect confidential information, it is NP policy that:

- Confidential information of NP shall be disclosed within NP only on a need-to-know basis.



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- Confidential information of NP shall be disclosed outside NP only when required by law or when necessary to further NP's business interests and then only in accordance with NP's disclosure guidelines.

However, it is understood and agreed that NP may publish periodic reports concerning the types of client organizations that have sought assistance, together with a brief descriptive statement of the nature of the consultative service rendered. The name of particular client agencies will not be used in such publications unless consent is given by such agencies. The activity reports are to be made available to individuals, groups, foundations, corporations and agencies for the purpose of reporting to the public as to the activities of NP and encouraging support for the continuation of the programs provided for nonprofit organizations.

CONFLICTS OF INTEREST. Directors, officers, committee members, and employees shall avoid any personal influences or relationships that would affect their ability to act in the best interests of NP. *(Further amplification of Conflicts of Interest for Employees is included in NP's personnel policies handbook.)*

A conflict of interest occurs when an individual's private interest interferes, or appears to interfere, with the interests of NP. A conflict situation can arise when a director, officer, committee member, volunteer or employee takes actions or has interests that may make it difficult to perform his or her Agency work objectively and effectively. Conflicts of interest also arise when a director, officer, committee member, volunteer or employee, or a member of his or her family receives improper personal benefits as a result of his or her position in NP. Directors, officers, committee members, volunteers and employees shall not have any financial or other relationships with suppliers, clients or competitors that would impair the independence of any judgment they may need to make on behalf of NP.

Directors, officers, committee members, volunteers and employees are required to disclose to NP any financial or other relationships with suppliers, clients or competitors that they may have and the reasons they believe such relationship would not violate the Conflict of Interest provisions of the Code. They may not perform, for any personal gain, services to any NP supplier of goods or services or any other organization that is engaged in doing business with or serving NP without previously making such disclosure to NP. After such disclosure is made, the Audit Committee (for directors and executive officers) or the CEO (for other officers, volunteers and employees) will review the disclosure and a decision will be made as to whether the disclosed item constitutes a conflict of interest that requires a waiver of the Code, termination of the activity or disciplinary action. Directors, officers, committee members, volunteers and employees are encouraged to request pre-clearance on any potential conflicts of interests in advance of the relationship or transaction taking place. Any matter of question or interpretation that arises relating to this policy should be referred to the Audit Committee (for directors and executive officers) or the CEO (for other officers, volunteers and employees)

Gifts, gratuities, services, loans, entertainment and similar favors may not be accepted if offered, or appear to be offered, as an inducement to perform an act inconsistent with the best interest of NP or if acceptance would place the recipient under an obligation to the provider. Directors, officers, committee members, volunteers and employees are expected to work out for



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themselves the most gracious method of declining gifts, entertainment and benefits that do not meet this standard. Receipt of or payment of kickbacks or bribes by directors, officers or employees in any way related to the performance of their duties for or on behalf of NP is a violation of this Code.

This policy statement is not intended to apply to gifts and/or similar entertainment of nominal value that clearly are in keeping with good business ethics and do not obligate the recipient.

Doing business with former directors, officers, committee members, or employees is prohibited unless approved in writing by the Audit Committee.



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CORPORATE OPPORTUNITIES. Directors, officers, committee members, volunteers and employees are prohibited from (a) taking for themselves opportunities that are discovered through the use of Agency property, information or position; (b) using Agency property, information, or position for personal gain, and (c) competing with NP.

Officers and employees have an obligation to give their complete loyalty to the best interest of NP. Officers and employees may not acquire any interest, other than an interest in a publicly held entity, in outside entities, property or assets in which NP has an involvement or potential interest without the approval of the Audit Committee.

PROTECTION AND PROPER USE OF AGENCY PROPERTY. Agency directors, officers, committee members, and employees are charged with safeguarding NP's assets and property and ensuring their efficient and proper use.

- Property. All Agency assets shall be used for legitimate business purposes. The unauthorized personal use, borrowing or removal of Agency property is prohibited. NP's property shall not be given away, sold or traded without proper authorization.

- Records. Personnel who prepare, maintain or have custody of NP's records and reports should exert their best efforts to see that these documents are: (i) accurate and complete and clearly reflect the assets and transactions of NP; (ii) safeguarded from loss or destruction; (iii) retained for specified periods of time in accordance with NP's document retention policy; and (iv) maintained in confidence.

- Political contributions. The direct or indirect use by employees of any funds or other assets of NP for political contributions in any form (whether in cash or other property, services or the use of facilities) is prohibited.

- Gifts and Entertainment. No gifts of substantial value or lavish entertainment shall be offered or furnished to anyone. Reasonable entertainment and courtesies may be extended only if not prohibited by law and then only to the extent that is customary and appropriate. *(Further amplification of gifts and entertainment for employees is included in NP's personnel policies handbook.)*

REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOR. Directors, officers, committee members and employees are required to report suspected misconduct of any nature.



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Officers and employees should talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation. Officers and employees must promptly report violations of laws, rules, regulations or this Code to the chairman of the Audit Committee. NP will not allow retaliation against officers or employees for reports made in good faith regarding suspected violations by other persons.

It is against Agency policy for an officer or employee to discriminate or take adverse action against another employee who provides information to governmental authorities about actions they reasonably believe to represent misconduct.

All ethics violations will be reported to the Chairman of the Audit Committee. NP will maintain a confidential reporting channel for directors, officers and employees.

EMPLOYMENT PRACTICES. NP is committed to maintaining a safe work place free from illegal discrimination, intimidation, harassment, and retaliation. (Further amplification of employment practices for employees is included in NP's personnel policies handbook.)

NP is committed to fair employment practices, including hiring, pay, promotion, termination, disciplinary action and other terms and conditions of employment. Each employee, or potential employee, shall be judged on his or her own merits without regard to race, religion, color, national origin, gender, age, marital status, physical or mental disability, veteran status, sexual orientation or other status protected by applicable laws.

It is Agency policy to provide a safe and secure workplace for employees and visitors. Employees shall report unsafe conditions or any accidents, no matter how minor, to their supervisor. NP has no tolerance for threats, intimidation, harassment or acts of physical violence in its workplaces. Alcohol and the use of unlawful drugs is strictly prohibited in all Agency facilities. On occasions where special events are held on premises, alcohol may be permitted with CEO approval. The possession of weapons by employees or visitors, licensed or not, while on Agency property or while on duty elsewhere is strictly prohibited. As a condition of employment, NP has the right to search and inspect all Agency property and any personal property of an employee that is in or on Agency premises, vehicles or other property.

ELECTRONIC MAIL AND INTERNET USE. Agency provided electronic mail and Internet access shall be for NP's business purposes only and used responsibly at all times.



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All electronic mail, Internet and Intranet facilities provided by NP are the property of NP and are to be used primarily for business purposes. Limited personal use of electronic media is acceptable, as in the case of personal telephone calls, but only when used responsibly and when the privilege is not abused. NP reserves the right to monitor, review and disclose electronic mail, as it deems appropriate without the consent of the employee. The copying of software or other copyrighted material is strictly prohibited.

Electronic media may not be used to transmit, retrieve, store, or access any communications which are, in purpose or effect: discriminatory, harassing, or derogatory to any individual or group; obscene, defamatory or of a threatening nature; a misuse of confidential or proprietary information; or for any purpose which is illegal, against Agency policy or contrary to NP's best interest. Agency reserves the right to monitor, review and disclose electronic mail as it deems appropriate without the consent of the employee.

AFFIRMATIVE STATEMENT

Directors, officers, committee members, and employees shall make an affirmative statement in, or near, the form included as part of this Code.



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**AFFIRMATIVE STATEMENT REGARDING
THE CODE OF CONDUCT AND ETHICS**

This certifies that I have read and understand the Code of Conduct and Ethics (the “Code”) of the _____ Nonprofit Agency Name _____ (“NP”). Except as disclosed below on this Affirmative Statement, my immediate family, my in-laws and I have not breached the Code. I am not aware of any violation of the Code by anyone else.

I agree (i) to comply with the Code and conduct the activities of NP in keeping with highest ethical standards and (ii) to comply with international, federal, state, and local laws applicable to the NP’s activities.

As an officer or employee, I understand that failure to comply with the Code shall lead to disciplinary action by NP, which may include reprimand, termination of my employment and/or the reduction of compensation or demotion.

As a director, committee member or volunteer, I understand that failure to comply with the Code shall lead to disciplinary action by NP’s Board of Directors, which may include immediate relinquishment of duties.

I have disclosed below all financial or other relationships with suppliers, agencies or competitors of NP that I am aware of in which I, my immediate family or my in-laws are involved.

Date

Signature

Printed Name & Employee Number, *if applicable*

Disclosures: (Please describe the details and why you believe the item disclosed would not violate the Conflicts of Interest provisions of the Code, if applicable.)

(Attach additional explanation sheets as necessary)

