



Independent Sector Code of Ethics

The Independent Sector Code of Ethics is a demonstration of our commitment to high ethical standards. This code recognizes that an organization is defined by the people who work for it, and that those people (board members, executive leaders, staff, and volunteers) must demonstrate their ongoing commitment to the core values of integrity, honesty, fairness, openness, respect, and responsibility.

Our code of ethics is a part of a larger, organization-wide commitment to ethical practices. Our values must be supported by policies and procedures that staff and board follow, and several of these policies are posted on our website. IS also recognizes the importance of a organizational culture that supports high ethical standards, and we encourage such an atmosphere by fostering discussion on ethical issues, promoting transparency about our work, and setting the proper “tone at the top.”

Independent Sector’s Statement of Values and Code of Ethics was adapted from the model code of ethics for nonprofit organizations drafted by a special task force of the IS Ethics and Accountability Committee. Distributed to Independent Sector members for review from October 2003 through January 2004, the IS Code was approved by the Board of Directors on January 29, 2004.

I. Personal and Professional Integrity

All staff, board members and volunteers of Independent Sector act with honesty, integrity and openness whenever they represent the organization. Independent Sector promotes a working environment that values respect, fairness and integrity.

II. Mission

Independent Sector has a clearly stated mission and purpose, approved by the board of directors, in pursuit of the public good. All of its programs support that mission and all who work for or on behalf of Independent Sector understand and are loyal to that mission and purpose. The mission is responsive to the constituency and communities served by Independent Sector and of value to the society at large.

III. Governance

Independent Sector has a board of directors that is responsible for setting the mission and strategic direction of the organization and for oversight of the finances, operations, and policies of Independent Sector. The board:

- Ensures that its members have the requisite skills and experience to carry out their duties, that all members understand and fulfill their governance duties by acting for the benefit of Independent Sector and its public purpose, and that all members have specified terms of service;
- Has a conflict of interest policy that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means;
- Is responsible for the hiring, terminating, and regular review of the performance of the chief executive officer, and ensures that the compensation of the chief executive officer is reasonable and appropriate;
- Ensures that the CEO and appropriate staff provide the board with timely and comprehensive information so that the board can effectively carry out its duties;
- Ensures that Independent Sector conducts all transactions and dealings with integrity and honesty;

- Ensures that Independent Sector promotes working relationships with board members, staff, volunteers, members, and other stakeholders that are based on mutual respect, fairness and openness;
- Ensures that Independent Sector is fair and inclusive in its hiring and promotion policies and practices for board, staff and volunteer positions;
- Ensures that policies of Independent Sector are in writing, clearly articulated and officially adopted;
- Ensures that the resources of Independent Sector are responsibly and prudently managed; and
- Ensures that Independent Sector has the capacity to carry out its programs effectively.

IV. Legal Compliance

Independent Sector is knowledgeable of and complies with all U.S. laws, regulations and applicable international conventions.

V. Responsible Stewardship

Independent Sector manages its funds responsibly and prudently. Independent Sector:

- Spends a reasonable percentage of its annual budget on programs in pursuance of its mission;
- Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
- Compensates staff, and any others who may receive compensation, reasonably and appropriately;
- Has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs;
- Does not accumulate operating funds excessively;
- Prudently draws from reserve funds consistent with donor intent and to support the public purpose of the organization;
- Ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the organization; and
- Ensures that all financial reports are factually accurate and complete in all material respects.

VI. Openness and Disclosure

Independent Sector provides comprehensive and timely information to the public, the media, and all stakeholders and is responsive in a timely manner to reasonable requests for information. All information about Independent Sector fully and honestly reflects its policies and practices. Basic informational data about Independent Sector, such as the Form 990 and audited financial statements are posted on Independent Sector's website or otherwise available to the public. All solicitation materials accurately represent Independent Sector's policies, practices, and programs. All financial, organizational, and program reports are complete and accurate in all material respects.

VII. Program Evaluation

Independent Sector regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. Independent Sector is committed to improving program and organizational effectiveness and developing mechanisms to promote learning from its activities and the field. Independent Sector is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

VIII. Inclusiveness and Diversity

Independent Sector is committed to inclusiveness and diversity in its staff, board and volunteers.

Independent Sector takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment and constituencies served.

IX. Fundraising

When raising funds, Independent Sector is truthful in its solicitation materials. Independent Sector respects the privacy concerns of individual donors, expends funds consistent with donor intent, and discloses important and relevant information to potential donors. In raising funds from the public, Independent Sector respects the rights of donors:

- To be informed of the mission of Independent Sector, the way the resources will be used and its capacity to use donations effectively for its intended purposes;
- To be informed of the identity of those serving on Independent Sector's board of directors and to expect the board to exercise prudent judgment in its stewardship responsibilities;
- To have access to Independent Sector's most recent audited financial report;
- To be assured their gifts will be used for the purposes for which they were given;
- To receive appropriate acknowledgement and recognition;
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law;
- To expect professional and respectful conduct from Independent Sector's staff;
- To be informed whether those seeking donations are volunteers, employees of the organizations or hired solicitors;
- To have the opportunity for their names to be deleted from mailing lists that Independent Sector may intend to share; and
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Note: These ten points are adapted from A Donor Bill of Rights, developed by the American Association of Fund Raising Counsel, the Association for Healthcare Philanthropy, the Council for the Advancement and Support of Education, and the Association of Fundraising Professionals, and endorsed by Independent Sector.