



**INDEPENDENT  
SECTOR**

## **Independent Sector Statement of Values and Code of Ethics**

### **Introduction**

Adherence to the law is only a minimum standard of expected behavior. As a matter of principle, Independent Sector is duty-bound to adhere to the highest ethical standards because it is the right thing to do. Transparency, integrity and accountability form a moral framework that constitute the foundation of ethics. Independent Sector recognizes such a standard, not in passive observance, but as a set of dynamic principles guiding our conduct, work and “way of proceeding.” It shall be the responsibility of Independent Sector’s Board of Directors, staff, and volunteers to carry out our mission according to this Code of Ethics.

The keystone of how Independent Sector conducts our work is *integrity*. Independent Sector’s Board of Directors, staff and volunteers shall execute their work with fidelity to the public, our members, and communities we serve; and engage with respect, fairness and impartiality to all. IS shall embrace the spirit of the law. Transparency, openness, and responsiveness to community concerns shall be integral to each and everyone involved with and working at IS. It shall be our obligation to ensure our work, beliefs and values benefit humanity to realize Independent Sector’s ultimate vision, that all people thrive.

### **Statement of Values**

Independent Sector’s code of ethics is built on a foundation of upstanding values:

#### *Independence*

- The freedom to be creative and uplift the human spirit
- The right to advocacy and freedom of speech
- A commitment to promoting and protecting the independence of the sector
- An obligation to serve as a leading voice for the common good

#### *Interdependence*

- Productive cooperation between the public, private, and nonprofit sectors
- Effective collaboration between funders and grant recipients

### *Inclusiveness and Diversity*

- Embracing a variety of perspectives and people
- Respect for the views of others

### *Social Justice*

- Full and fair opportunities for all
- The primacy of the worth and dignity of each person
- Nurturing and fostering equity

### *Transparency, Integrity, and Accountability*

- Open and timely sharing of financial, governance, and program information
- A commitment to the highest possible ethical standards
- Responsiveness to society, members, and stakeholders

### *Operational Excellence*

- Humanizing and highly professional work environment
- Effective programs and activities that meet meaningful needs
- Efficiency in the use of financial resources
- Responsible stewardship of the environment in our work and values.

These values directly inform and enliven Independent Sector's Code of Ethics, set forth below, and guide the actions the organization shall take in developing our policies and practices.

## **Independent Sector’s Code of Ethics**

### **I. Personal and Professional Integrity**

All staff, board members, and volunteers of Independent Sector (“IS”) will act with honesty, integrity and openness in all their dealings as representatives of the organization. IS promotes a working environment that values respect, fairness, and integrity.

### **II. Vision**

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

#### *Independent Sector’s Vision and Purpose*

We envision a world of engaged individuals, robust institutions, and vibrant communities working together to improve lives and the natural world, and strengthen democratic societies. To help create this future, we lead and catalyze the charitable community, partnering with government, business, and individuals to advance the common good.

### **III. Governance**

Independent Sector has an active Board of Directors that is responsible for setting the vision and strategic direction of IS and oversight of the finances, operations, and policies. The Board of Directors<sup>1</sup>:

- Ensures that our board members have the requisite skills and experience to carry out their duties and that all members understand and fulfill their governance duties, acting for the benefit of IS and our public purpose;
- The size and composition of the board allow for full deliberation and diversity of thinking on governance and other organizational matters, and include members with diverse background (including but not limited to ethnicity, race and gender perspectives), experience, and organizational and financial skills necessary to advance IS’ mission;

---

<sup>1</sup> Much of the spirit and some of the language in this section of the code are taken from or based on the *Principles for Good Governance and Ethical Practice*, first published by Independent Sector in 2007, and revised in 2015; specifically, Principles 1-7 on Legal Compliance, and Principles 8-20 on Effective Governance.

- Board members adhere to 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<sup>2</sup>;
- Ensures that policies of the organization are in writing, clearly articulated, and officially adopted and reviewed every five years;
- Ensures that all board members receive a board manual and an orientation about IS' governing policies and practices, finances and program activities;
- Meets regularly to conduct its business and fulfill its duties;
- Ensures that board members evaluate their performance as a group and individually, no less frequently than every three years;
- Is responsible for the hiring, firing, 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, pursuant to the duly adopted CEO Evaluation Process and CEO Succession policies<sup>3</sup>;
- 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 IS conducts all transactions and dealings with integrity and honesty;
- Ensures that IS promotes working relationships with board members, staff, volunteers, funders, and program partners/collaborators that are based on mutual respect, fairness, and openness;
- Ensures that IS is fair and inclusive in our hiring and promotion policies and practices for all board, staff and volunteer positions;
- All board members are independent and are not compensated by IS other than expenses incurred to fulfill their board-related duties;
- Ensures that the resources of the organization are responsibly and prudently managed;
- Ensures that IS has the capacity to carry out our programs effectively; and,

---

<sup>2</sup> Independent Sector's Conflict of Interest Policy was readopted by the Board of Directors on April 25, 2019.

<sup>3</sup> Independent Sector's CEO Evaluation Process and CEO Succession Plan policies were readopted by the IS Board of Directors on April 29, 2020.

- Reviews IS' vision, mission, and goals and evaluates programs and activities every five years.

#### **IV. Legal Compliance**

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

#### **V. Responsible Stewardship**

Independent Sector manages our funds responsibly and prudently. This should include the following considerations:

- IS spends a reasonable percentage of our annual budget on programs in furtherance of its vision;
- IS spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
- IS compensates staff, and any others who may receive compensation, reasonably and appropriately;
- IS has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs;
- IS does not accumulate operating funds excessively;
- IS ensures that all spending practices and policies are fair, reasonable, and appropriate to fulfill its vision; and,
- IS 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 the organization will fully and honestly reflect the policies and practices of IS. Basic informational data about IS, such as the Form 990, reviews and compilations, and audited financial statements will be posted on the organization's website or otherwise be made available to the public. All solicitation materials accurately represent IS' policies and practices. All financial, organizational, and programmatic reports will be complete and accurate in all material respects.

## **VII. Program Evaluation**

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

## **VIII. Equity, Inclusiveness and Diversity**

Independent Sector has a policy of promoting inclusiveness and our staff, board and volunteers reflect diversity in order to enrich our programmatic effectiveness. IS takes meaningful steps to promote inclusiveness in our hiring, retention, promotion, board recruitment, and constituencies served. IS fosters equity in all our engagements, work and operations, ensuring fair treatment, access, opportunity and advancement for all people.

## **IX. Fundraising**

Independent Sector is truthful in our solicitation materials. IS respects the privacy concerns of individual donors, and expends funds consistent with donor/funder intent. IS discloses important and relevant information to potential funders and grantmakers.

Independent Sector will respect the rights of funders and grantmakers, as follows:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial statements.
- 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 donation is handled with respect and with confidentiality to the extent provided by law.
- To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

- To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.
- To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.<sup>4</sup>

*Approved by the IS Board of Directors:*  
June 25, 2020

---

<sup>4</sup> Association of Fundraising Professionals (AFP), all rights reserved. Reprinted with permission from the Association of Fundraising Professionals.

## APPENDIX A

Principle 2 of Independent Sector's *Principles for Good Governance and Ethical Practice* recommends that all charitable organizations should formally adopt a written code of ethics with which all of its directors, staff and volunteers are familiar with and to which they adhere.

Principle 2 also requires that organizations' board members, employees and volunteers review and sign a copy of the code of ethics when they join the organization and to reaffirm their commitment by signing the code on an annual or regular basis.

---

### Declaration of Commitment to Independent Sector's Code of Ethics

By signing below, I, hereby declare that I will dutifully adhere to Independent Sector's Code of Ethics in the performance of my responsibility as board member, staff or volunteer.

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
AFFILIATION TO IS

DATE: \_\_\_\_\_