

Code of Ethics

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I. Introduction

As a matter of fundamental principle, the nonprofit community should adhere to the highest ethical standards because it is the right thing to do. As a matter of pragmatic self-interest, the community should do so because public trust in our performance is the bedrock of our legitimacy. Donors and volunteers support charitable organizations because they trust them to carry out their missions, to be good stewards of their resources, and to uphold rigorous standards of conduct.

The Michigan Nonprofit Association and other nonprofit organizations must earn this trust every day and in every possible way. But organizations are, at base, people, and it is up to the people of the nonprofit sector—board members, executive leaders, staff and volunteers—to demonstrate their ongoing commitment to the core values of integrity, honesty, fairness, openness, respect, and responsibility.

The nonprofit sector comprises a diverse array of organizations large and small, those that make grants and those that raise funds from the public, those that operate at the community and state level. That diversity is one of the abiding strengths of the nonprofit sector.

Each organization in the nonprofit sector should have a formally adopted code of ethics with which all of their trustees, staff and volunteers are familiar and to which they adhere. This MNA Code of Ethics is such a document.

Adherence to the law is the minimum standard of expected behavior. Nonprofit organizations must do more, however, than simply obey the law. We must embrace the highest standards of integrity. Transparency, openness and responsiveness to public concerns must be integral to our behavior.

II. Statement of Values

Any code of ethics is built on a foundation of shared values. MNA values:

The role of nonprofits in society (including relevance and outcomes)

Innovation and excellence (including partnerships, collaboration, and commitment)

Diversity and inclusiveness

Accountability and transparency (including openness, honesty, trust and integrity)

These values lead directly to the Code of Ethics that follows. The values inform and guide the actions that MNA should take in developing our policies and informing their practices.

III . The Code of Ethics

A. Personal and Professional Integrity

MNA staff, board members and volunteers shall act with honesty, integrity and openness in all their dealings as representatives of the organization. MNA promotes a working environment that values respect, fairness and integrity.

B. Mission

MNA shall have a clearly stated mission and purpose, approved by the Board of Trustees, in pursuit of the public good. The MNA mission is “to enhance the effectiveness of the Michigan nonprofit sector in serving society”. All MNA programs shall support that mission and all who work for or on behalf of the organization will understand and be loyal to that mission and purpose. The mission shall be responsive to the constituencies and communities served by MNA and of value to the society at large.

C. Governance

MNA shall have an active governing body, the Board of Trustees, which is responsible for setting the mission and strategic direction of the organization and oversight of the finances, operations, and policies of the organization. The Board of Trustees:

Ensures that its board members or trustees 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 MNA and its public purpose;

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; and

Is responsible for the hiring, firing, and regular review of the performance of the President & CEO, and ensures that the compensation of the chief executive officer is reasonable and appropriate;

Ensures that the President & CEO and appropriate staff provide the governing body with timely and comprehensive information so that the governing body can effectively carry out its duties;

Ensures that the organization conducts all transactions and dealings with integrity and honesty;

Ensures that the organization promotes working relationships with board members, staff, volunteers, and program beneficiaries that are based on mutual respect, fairness and openness;

Ensures that the organization is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;

Ensures that policies of the organization are in writing, clearly articulated and officially adopted;

Ensures that the resources of the organization are responsibly and prudently managed; and,

Ensures that the organization has the capacity to carry out its programs effectively.

D. Legal Compliance

MNA will be vigilant in compliance with laws, regulations and applicable conventions that govern and regulate our organization.

E. Responsible Stewardship

MNA shall manage its' funds responsibly and prudently. This should include the following considerations:

It spends a reasonable percentage of its annual budget on programs in pursuance of its mission;

It spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;

MNA compensates staff, and any others who may receive compensation, reasonably and appropriately;

MNA has reasonable fundraising costs, recognizing the variety of factors that affect fundraising costs;

MNA will maintain an appropriate level of funds to maintain our mission and purpose and not accumulate excessive reserve funds;

MNA ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the organization; and,

All financial reports are factually accurate and complete in all material respects.

F. Openness and Disclosure

MNA shall provide 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 MNA will fully and honestly reflect the policies and practices of the organization. Basic informational data about the organization, such as the Form 990, reviews and compilations, and audited financial statements will be posted on the MNA website or otherwise available to the public. All solicitation materials accurately represent the organization's policies and practices and will reflect the dignity of program beneficiaries. All financial, organizational, and program reports will be complete and accurate in all material respects.

G. Program Evaluation

MNA will regularly review program effectiveness and have mechanisms to incorporate lessons learned into future programs. MNA is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities and the field. MNA will be responsive to changes in its field of activity and the needs of its constituencies.

H. Inclusiveness and Diversity

MNA shall have a policy of promoting inclusiveness and its staff, board and volunteers reflect diversity in order to enrich its programmatic effectiveness. MNA shall take meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment and constituencies served.

I. Fundraising

MNA shall raise funds from the public and from donor institutions and be truthful in solicitation materials. MNA will respect the privacy concerns of individual donors and expends funds consistent with donor intent. MNA shall disclose important and relevant information to potential donors.

In raising funds, MNA will respect the rights of donors, as follows:

To be informed of the MNA mission, the way the resources will be used and their capacity to use donations effectively for their intended purposes;

To be informed of the identity of those serving on the MNA governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities;

To have access to the most recent MNA financial reports;

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 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, MNA employees or hired solicitors;

To have the opportunity for their names to be deleted from mailing lists that MNA may intend to share; and,

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

IV. Afterword

While the MNA Board of Trustees has given its approval to this document, it will continue to be reviewed and revised as necessary.

A code of ethics is, by necessity, general in outlining broad ethical principles. It is not a detailed set of recommended practices on a specific issue. In many cases, those more specific recommended practices are provided by existing standards by national, regional, and subsector-specific groups. This code of ethics statement is intended as a model that organizations can draw from in reviewing or adopting a code of ethics.