

Ethical Guidelines for Board Members of Not-for-Profit:

Ethical problems are created in situations where expected norms or standards are not clearly articulated.

Expected Performance Standards: (Canadian Association, March 2004 Issue)

- **Being loyal to the not-for-profit organization and its members**
- **Avoiding conflict of interest, including direct and indirect gains which could accrue to the member as a result of actions or decisions made in the capacity of board authority. Examples are as follows:**
 - **Board member makes a decision motivated by considerations other than the “best interests of the not-for-profit organization”. These can be fiscal, political, or even personal.**
 - **Board member or close family member personally contracting with the organization.**
 - **Board member learns of an opportunity for profit which may be valuable to him/her personally or to another organization of which he/she is a member.**
 - **Board member assists a third party in their dealings with the organization, where such assistance could result in favorable or preferential treatment being granted the third party, by the not-for-profit organization**
 - **Board member receives gifts or loans from the organization.**
- **Dealing with the public, staff, clients, and board peers in an ethical, fair, and straight forward manner.**
- **Not exercise individual authority over the not-for-profit organization or the staff.**
- **Speaking positively of the not-for-profit organization to the public.**
- **Fostering friendly and positive working relationships between volunteers and staff.**
- **Maintaining confidentiality of board business.**

Board Obligations and Responsibilities:

- **Responsible for purpose of organization**
- **Vision and Mission**
- **Review and modification of these guiding principles**
- **Continuity of the organization**
- **Helps with recruitment of qualified staff**
- **Rate of progress**
- **Community support**
- **Aware of obligations and responsibilities**

Ethical Guidelines Statement:

General:

- **I will always hold the betterment of the membership of the organization as my priority, including during all participation in discussions and voting matters.**
- **I recognize that I am obligated to act in a manner which will bear the closest public scrutiny.**
- **It is my responsibility to contribute to the board of directors any suggestions of ways to improve the organization's policies, standards, practices, or ethics.**
- **I will not abuse my position as a board member by suggesting to any organization employee that I am entitled to or expect any special treatment beyond regular members of the organization.**
- **I will declare any conflict of interest, be it real, potential, or apparent, which is not immediately obvious with regard to any matter being discussed in my presence during a meeting.**
- **If the board decides at any time during a meeting that I have a conflict, I will accept their request that I refrain from participating in the discussion and I will leave the meeting at the board's request. I understand that the board's decision will be recorded in the minutes, either with or without the reasons for the decision being recorded.**
- **I understand that the following activities are considered by the organization to be conflicts of interest, and that conflicts of interest are not limited to the following situations:**
 - **Where a director makes a decision or does an act motivated by other or additional considerations that "best interests of the organization".**
 - **Where a director personally contracts with the organization or where he/she is a director of the organizations which are contracting with this organization.**
 - **Where a director learns of an opportunity for profit which may be valuable to him/her personally or to another organization of which he/she is a member, or to other persons known to the director.**
 - **Where a director, in any circumstances as related to the organization, put his/her personal interests ahead of the best interests of the organization.**

Information:

- **I will not knowingly take advantage of or benefit from information that is obtained in the course of my official duties and responsibilities as board member, and that is not generally available to membership.**
- **I will be alert to information which the organization can use to develop improved policies and strategies.**
- **I will protect the organizations information closely and will not release or share confidential information without the permission, preferable in writing, of the person who provided it.**
- **I will maintain confidentiality of all information which the board deems ought to be kept confidential.**

Resources:

- **I will be mindful of resources which are in my trust on behalf of the organization, and will help establish policies which ensure the maximization of secure and protected resources.**
- **I expect to be reimbursed for legitimate expenses incurred by myself for the sake of the organization. I will keep all such expenses reasonable and justifiable and will discuss expenses which may be in question with organization's president.**

Gifts and Hospitality:

- **Should business associates or others offer me gifts, favors, or benefits on a personal basis because of the business the organization does with them, I will recognize that such offers may be an effort to secure advantage from me, and I will reject such offers on the basis that it is against the organization's policy to accept gifts from business contacts. The most I will accept will be normal promotional handouts of a nominal value.**
- **I will not routinely accept the hospitality of others. For example, when meals are taken with business colleagues, I will pay for as many meals as do my colleagues.**

Representing the Organization:

- **As part of my duties as a board member, I represent the organization informally and formally to other associations, societies, government officials, and business representatives. I recognize that it is important that I represent the organization in such a way as to leave others with a positive impression of the organization. In my duties I will preserve and enhance the good reputation of the organization and will avoid behavior which might damage its image.**

Interpretation:

- **The president of the organization shall ensure that the practice of this policy will be fair, just, and equitable in all situations of interpretation and application.**

Enforcement:

- **The president is ultimately responsible for immediate interpretation, application and enforcement of the board members' code of ethics policy. All complaints concerning a possible code of ethics violation shall be made in writing to or by the president with a copy provided to the complainant.**
- **The president shall make an initial determination of the issue and shall attempt initial resolution of the problem with the complainer and the complainant.**

- **If this initial attempt at resolution is not successful, the president shall appoint a tribunal composed of three board members to investigate the complaint. The tribunal is required to investigate as required and submit a written report to the president within 30 days. The president will render his/her decision within ten days of receiving the tribunal's report.**
- **The president's decision may be appealed in writing to the board of directors for consideration at the board's next regular meeting for a final decision. The final decision shall be delivered in writing to the complainer and complainant.**

Delegation and Penalties:

Should the president be the subject of a written complaint, the vice president shall perform the duties normally assigned to the president in this matter.