

Ethics, Part 6

Voluntary efforts aim to building awareness about accountability.

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The growing focus on nonprofit ethics has spawned a broad range of voluntary initiatives and services, including training seminars and workshops, and ethical codes and standards adopted by membership organizations and individual nonprofits.

Some of those codes and standards draw from the federal Sarbanes-Oxley corporate-disclosure law.

Some experts like Naomi Levine of the George H. Heyman Jr. Center for Philanthropy and Fundraising at New York University say Sarbanes-Oxley includes provisions that should be built into laws governing nonprofits, while others said laws and codes alone cannot protect organizations from people who exercise bad judgment, or worse.

"Ultimately, there is a degree of common sense that needs to rule and govern the organization, that gets relied upon as your guide in building and manifesting ethical practices," says Doug Kridler, president and CEO of the Columbus Foundation in Columbus, Ohio.

The Association of Fundraising Professionals requires that each of its local chapters devote one meeting a year to ethics, says Tempel, who chairs the association's ethics committee and is executive director on the Center for Philanthropy at Indiana University.

"People understand the importance of trust to develop and build philanthropy," he says, "and ethical behavior is an important aspect of this."

The Council on Foundations in Washington, D.C., recently distributed to its members a new statement of ethical principles that members will have to subscribe to when they submit their dues statements for 2006, says Dorothy Ridings, its former president.

The council also has been attracting big crowds at a series of regional training sessions on ethics and accountability, and now has created separate sessions for professional advisers and for board and staff, she says.

That demand reflects 10 years of explosive growth in the foundation world, particularly among family foundations, growth that was poorly served because of inadequate ethical training and education, particularly among professional advisers, she says.

"There was not a sufficient amount of well-trained, well-educated, well-informed professional advising," she says. "Mainly, people did not have the tools."

With 560 members, the Pennsylvania Association of Nonprofit Organizations requires nonprofits on becoming members to agree in principle to its 56 standards for excellence, and offers members a process to become certified in the standards, says Joe Geiger, executive director of the Harrisburg-based group.

Nearly 200 members have taken clinics as part of that process, he says, and 18 of them have achieved the certification, a process that can take six months to several years.

"There are going to be some people who think they can take advantage of the charitable intentions of most Americans, and make a quick dollar," Geiger says. "The best way to guard against that is to make sure the organization gets its policies and systems into a condition that minimizes the chances for that knucklehead to succeed."

The Institute for Global Ethics in Camden, Me., markets ethical-training modules in CD-ROM format to nonprofits, a program that aims to fill a gap in knowledge and awareness of ethics, says Graham Phaup, executive director.

"While most foundations and nonprofits tend to see themselves as ethical organizations, they rarely talk about ethics," he says.

Levine, who raised more than \$2.2 billion for NYU in 22 years as senior vice president for external affairs, founded the Center for Philanthropy and Fundraising five years ago to fill what she saw as a big gap in training for professionals in fundraising and grantsmanship.

The center, which offers a certificate degree and will begin offering a master's degree in fall 2006, focuses on a broad range of professional practices, including ethics.

And for each of the past two years, Levine has actively supported a bill in the state legislature to require all professional fundraisers to take at least one course in the law and ethics of fundraising, a requirement that is needed "if fundraising is to be viewed as a profession," she says.

"In most organizations, the goal of the fundraisers is to meet the financial goals set for them by the organization, and very little time is spent in discussing the details of state and federal laws and the ethical issues involved in fundraising," she says. "Only when there is a crisis issue will the board and staff come together to talk about it."

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