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Nonprofit Strategies



SAN LUIS OBISPO COUNTY COMMUNITY FOUNDATION

Nonprofits must have code to live by

By Barry VanderKelen

Ethics are essential to nonprofits. In order to attract financial support, organizations must instill confidence that donations are being used wisely. But what does it mean to be ethical?

Gary Morris is a frequent speaker on the ethics of philanthropy. He is a founder of the North Dallas Ethics & Character Association. I attended one of his presentations recently.

The concept of ethics traces back to ancient times. Aristotle gave the concept the name *ethos*. To Aristotle, *ethos* is the distinguishing character, sentiment, moral nature or guiding belief someone or a group of people espouses. At the core of Aristotle's definition is character.

Many organizations and professional associations have codes of conduct or statements of ethics. In each one, ethics are described using character traits: trustworthiness, respect, responsibility, fairness, caring and civic virtue. All of the codes are aspiration-based and call forth the best of each member.

The most frequently referenced trait in these codes is fairness: to others, to self, and to the greatest number. One of the most popular codes based on fairness is the Four Way Test of Rotary clubs.

If an organization wants to write its own ethics code, it might start with the concept of fairness and describe it as providing full disclosure; that its work will be comprehensive in process and information; that current and projected circum-

stances will be considered in decision making; that it will ensure that its mission is consistent with the values held by a prospective donor; and the organization is fully compliant with local, state and federal regulations and thus eligible to receive donations. Every organization should have a statement that describes how it will conduct its work. Some call it ethics and others call it values. By adopting such a statement, everyone will know how they will be treated by the organization.

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Resource Use

- Support nonprofit leadership
- Board development/training
- Strategic planning

Nonprofit Business Column of The Tribune

The San Luis Obispo Tribune publishes a column every other week in the Business section dedicated to the business practices of nonprofit orgs. Barry VanderKelen, Executive Director of the San Luis Obispo County Community Foundation writes the bi-

weekly column to help strengthen nonprofit organizations in the community. Each column is reprinted here as a one-page handout for use by local organizations. Barry can be reached at 543-2323 or by e-mail at barry@slocf.org.