

Best Practices Outline and Reference Materials
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Reference Materials

A. Standards for Excellence: An Ethics and Accountability Code for the Non-Profit Sector

Issuing Body: The Maryland Association of Nonprofit Organizations (first issued in 1998)

Commentary: Despite being issued by a single state organization, these principles and standards are nationally recognized and accepted as guiding principles for best practices by the nonprofit community. A nonprofit can apply to be a Standards of Excellence Certified Nonprofit, which means that the organization has been evaluated as being compliant with these Standards of Excellence. These guiding principles and standards were designed to address high level objectives and therefore, may lack sufficient detail for effective implementation. These guiding principles are therefore best referred to in conjunction with the other reference materials below.

References/Resources: http://www.marylandnonprofits.org/html/standards/04_02.asp

Summary: Guiding Principles are separated into 8 categories:

- (1) Mission and Program
- (2) Governing Body
- (3) Conflict of Interest
- (4) Human Resources
- (5) Financial and Legal
- (6) Openness
- (7) Fundraising
- (8) Public Affairs and Policy

These 8 Guiding Principles are accompanied by 55 Standards, which are more detailed performance benchmarks.

B. The Principles for Good Governance and Ethical Practice: A Guide for Charities and Foundations

Issuing Bodies: Independent Sector in collaboration with BoardSource (Reference Guide issued in 2007, Principles Workbook for the Board issued in 2009).

Commentary: Developed by the Panel on the Nonprofit Sector (Panel); an organization convened by the Independent Sector in 2004 with the encouragement of the leaders of the US Senate Finance Committee. The Panel published these documents in consultation with nationally prominent law firms and numerous other stakeholders to assist Nonprofit Boards understand better their legal/fiduciary requirements as well as general ethical practices. The Principles document describes 33 practices designed to help board members and staff leaders embrace the highest possible standards of good governance and ethical conduct. These documents are especially significant because of the Sarbanes-Oxley Act and are highly informative on legal/compliance issues.

Summary: Documents sets forth 33 Principles divided into four categories:

- (1) Legal Compliance and Public Disclosure
- (2) Effective Governance
- (3) Strong Financial Oversight
- (4) Responsible Fundraising

Publications include (i) an executive summary of these principles, (ii) a reference edition for these principles and (iii) the Principles Workbook: Steering Your Board Toward Good Governance and Ethical Practice. The Principles Workbook is designed to be a practical workbook for Boards and provides detailed information on each principle; identifying core concepts, discussion points, legal and compliance issues and resources.

C. Better Business Bureau (BBB) Wise Giving Alliance Standards for Charity Accountability (Standards)

Issuing Body: BBB Wise Giving Alliance (Alliance) (Standards issued in 2003)

Commentary: These Standards are nationally recognized were developed with input from charitable organizations, the accounting profession, grant making foundations, corporate contribution officers, regulatory agencies, research organizations and the BBBs. The Alliance also commissioned significant independent research on donor expectations to ensure that their views were reflected in the Standards. A national charity (local charities not eligible) can enroll to become a charity, which is monitored and evaluated by the Alliance according to these Standards.

References/Resources: <http://www.bbb.org/us/Charity-Standards/>

Summary: Standards divided into 4 general areas:

- (1) Governance and Oversight
- (2) Measuring Effectiveness*
- (3) Finances
- (4) Fundraising and Informational Materials

Includes 20 specific objectives within these 4 categories, together with more detailed action items to help achieve these objectives.

*Includes specific suggested percentages of organization's total expenses spent on program activities as well as percentage of related contributions spent on fund raising.

D. Illinois Nonprofit Principles and Best Practices

Issuing Body: Donor Forum (updated 2008)

Commentary: Developed by the Donor Forum for Illinois nonprofits and grant makers to update their understanding of national standards and best practices for nonprofits. The President of the Donor Forum participated in the Panel on Nonprofit Sector's project to create national standards for charitable organizations. See section B.

References/Resources: http://www.donorsforum.org/forms_pdf/PTprinciples.pdf

Summary: Best Practices divided into 4 general categories:

- (1) Mission and Purpose
- (2) Governance
- (3) Legal Compliance, Fiduciary Responsibility, and Responsible Stewardship
- (4) Communication, Accessibility, and Disclosure

Includes 10 best practices within these 4 categories, together with more detailed action items to help achieve these best practices.

E. Best Practices for NonProfits

Issuing Body: Whatcom Council of NonProfits (2002)

Commentary: Derived from a training program called Matrix for community-based nonprofits. Whatcom affiliated Nonprofits are encouraged to use this tool for strategic planning and evaluation purposes. This document focuses more on best practices on an operational level and addresses collaborations and partnerships as well as IT Management; topics not strongly covered in other materials.

References/Resources: <http://www.wcnwebsite.org/practices/index.htm>

Summary: Best Practices divided into 9 general categories:

- (1) Board of Directors/Governance
- (2) Human Resources Management
- (3) Financial Management
- (4) Strategic Planning
- (5) Collaborations and Partnerships
- (6) Outcomes and Quality Improvements
- (7) IT Management
- (8) Fundraising
- (9) Marketing

In each category, specific best practices are outlined, together with more detailed action items to help achieve these best practices. The document also includes a bibliography section for reference materials.