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Sample Code of Conduct and Ethics Policy

The board of a not-for-profit organization may find it useful to adopt a policy applicable to the board, management and employees requiring fulfillment of responsibilities in a manner that furthers the mission of the organization and complies with law, regulations, ethical standards and policies adopted by the organization.

Each not-for-profit organization will need to decide for itself the level of detail required in its code of conduct and ethics policy. This sample provides only one fairly simple example. “One size does not fit all” – governance structures and processes should reflect and be tailored to meet the needs and circumstances of the particular organization.

Note that the Federal Sentencing Guidelines provide for the mitigation of certain penalties depending on a number of factors, including the existence and adequacy of the organization’s compliance program, one part of which is the code of ethics. Although the Department of Justice has not issued formal guidelines for not-for-profit compliance programs, among the most critical factors in evaluating the effectiveness of such a program is whether it is designed to prevent and detect wrongdoing by employees and whether management enforces the program.

Please note that various factors unique to a not-for-profit organization (including, among others, organizational structure, activities, life-cycle stage, funding mechanisms, and applicable requirements of local, regional or national law) may affect the provisions that should be addressed. Accordingly, while this sample includes standards and provisions that may be generally appropriate for some not-for-profit organizations, different and additional provisions may be appropriate in particular circumstances.

[NAME OF NOT-FOR-PROFIT ORGANIZATION]

CODE OF CONDUCT AND ETHICS

I. PERSONS COVERED BY THIS CODE OF CONDUCT AND ETHICS

This Code of Conduct and Ethics is applicable to all members of the Board of _____ (the “Organization”) and to each officer and employee of the Organization (each, a “Covered Person”). In addition, independent contractors, consultants and agents who represent the organization are expected to apply the same high standards as the organization’s employees, officers and directors while working on Company business. All references herein to dealings with, or actions of or transactions with, the Organization also refer to dealings with, or actions of or transactions with, any subsidiary or affiliate of the Organization and any other entity in which the Organization has a substantial investment.

II. GENERAL PRINCIPLES

In all of their dealings on behalf of, or with the Organization, each Covered Person must:

- Engage in and promote honest and ethical conduct, including by avoiding actual or potential conflicts of interest between personal and business or professional relationships;
- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her independent judgment to be subordinated to the judgment of others;
- Produce full, fair, accurate, timely, and understandable financial disclosures;
- Comply with all applicable governmental laws, rules and regulations (including, but not limited to, those relating to disclosure of the business activities and/or performance of the Organization);
- Promptly report violations of this Code of Conduct and Ethics, or other codes of conduct or Organization policies by Covered Persons to the appropriate persons;
- Protect the confidentiality of non-public information about the Organization and prevent the unauthorized disclosure of such information unless required by law;
- Ensure the responsible use of, and control over, all assets of the Organization and resources entrusted to his or her care; and
- Assume accountability for compliance with, and the interpretation and enforcement of, this Code of Conduct and Ethics.

III. IMPLEMENTING POLICIES AND PROCEDURES

In furtherance of the general principles stated above, each Covered Person must adhere to the following set of implementing policies and procedures:

A. *Avoidance and Handling of Conflicts of Interest Situations*

All Covered Persons shall exercise care that no detriment to the Organization results from conflicts between their interest and those of the Organization. Each Covered Person shall be sensitive to potential conflicts of interest or the appearance of conflicts of interest, even if no actual conflict exists.

A “conflict of interest” exists when a Covered Person’s private interest interferes, or appears to interfere, with the interests of the Organization as a whole. Such conflicts arise when a Covered Person, directly or indirectly, has a financial or personal interest in a contract or transaction to which the Organization is a party. In addition, receipt by a Covered Person or member of his or her immediate family of an improper personal benefit as a result of the Covered Person’s position with the Organization may be deemed a conflict of interest.

B. *Community, Political, Charitable and other Outside Activities*

The Organization generally encourages participation in community activities outside the Organization. However, employees are expected to avoid any outside personal interest or activity (whether or not for profit) that will interfere with their duties to the Organization. As a guideline, such activities should not encroach on time or attention employees should be devoting to Organization business, adversely affect the quality of their work, compete with the Organization’s business, imply Organizational sponsorship or support without express approval by the Organization, and/or adversely affect the reputation of the Organization.

No employee shall publicly utilize any affiliation of the Organization in connection with the promotion of partisan politics, religious matters, or positions on any issue not in conformity with the official position of the Organization.

C. *Protection and Proper Use of Assets of the Organization*

Every Covered Person has a personal responsibility to protect the assets of the Organization from misuse or misappropriation. The assets of the Organization include tangible assets, such as products, equipment and facilities, as well as intangible assets, such as corporate opportunities, intellectual property, trade secrets and business information (including any non-public information learned as an employee, officer or Board member of the Organization).

1. *Theft/Misuse of Company Assets*

The Organization’s assets may only be used for purposes as are approved by the Organization. No Covered Person may take, make use of, or knowingly misappropriate the assets of the Organization, for personal use, for use by another, or for an improper or illegal purpose. No Covered Person is permitted to remove, dispose of, or destroy

anything of value belonging to the Organization without the Organization's consent, including physical items and electronic information.

2. Confidential Information/Privacy

No person who is entrusted with information of a confidential or proprietary nature (about the Organization, its donors, suppliers or other constituents) shall disclose that information outside the Organization, either during or after service with the Organization, except with written authorization of the Organization or as may be otherwise required by law. Covered Persons may not use confidential information for their own personal benefit or the benefit of persons or entities outside the Organization.

Confidential information includes all non-public information learned as an employee, officer or Board member of the Organization. It includes, but is not limited to;

- Non-public information about the Organization's financial condition or plans, its research and development, as well as information relating to donations and acquisitions;
- Non-public information about discussions and deliberations relating to business issues and decisions, between and among Covered Persons; and
- Non-public information about donations and solicitations, including where applicable donor contact information and records.

D. Compliance with Other Laws, Rules & Regulations

The Organization requires Covered Persons to comply with all applicable laws, rules and regulations in geographic locations where the Organization does business. Violation of domestic or foreign laws and regulations may subject an individual, as well as the Organization, to civil and/or criminal penalties. To assure compliance with applicable laws and regulations, the Organization has established various policies and procedures, including those relating to: [List Policies Related to Business of Organization]. All Covered Persons have an obligation to comply with these policies and procedures and to promptly alert management of any deviation from them.

To comply with the law, Covered Persons must learn enough about the national, state and local laws that affect the Organization to spot potential issues and to obtain proper guidance on the right way to proceed. This means, for example, that Covered Persons whose day-to-day work is directly affected by particular laws have a responsibility to understand them well enough to recognize potential problem areas and to know when and where to seek advice. When there is any doubt as the lawfulness of any proposed activity, advice should be sought from the Organization's [General Counsel or legal department].

Each Covered Person is strongly encouraged, and indeed has an obligation, to raise concerns promptly when they are uncertain as to the proper legal course of action or they suspect that some action may violate the law. The earlier a potential problem is detected and corrected, the

better off the Organization will be in protecting against harm to the Organization's business and reputation.

1. Illegal Payments

No illegal payments of any kind are to be made to any local, state or Federal Government officials of the United States, or to government officials of any other country, territory or municipality at any time or under any circumstances. Moreover, no funds or other assets of the Organization are to be paid, directly or indirectly, to government officials or persons acting on their behalf or to representatives of other businesses for the purpose of influencing decisions or actions with respect to the Organization's activities. Kickbacks to or from any person are prohibited.

2. Integrity of Records and Financial Reports

The integrity of the Organization's record keeping and reporting systems must be respected at all times. Employees of the Organization are forbidden to use, authorize or condone the use of "off-the-books" bookkeeping, secret accounts, unrecorded bank accounts, "slush" funds, falsified books, or any other devices that could be utilized to distort records or reports of the Organization's true operating results or financial condition. Strict compliance with corporate accounting methods and controls is expected, as is cooperation with the Organization's [Audit Committee or Board] and external and internal auditors.

E. Compliance with the Code of Conduct and Ethics

A completed certificate attesting to compliance with this Code of Conduct and Ethics will be obtained from all Covered Persons by the General Counsel promptly after the approval of this Code of Conduct and Ethics by the Audit Committee or an individual becoming a Covered Person, as pertinent, and, thereafter on an annual basis. The General Counsel will make all such certificates available to the Audit Committee or full Board, upon request.

F. Equal Employment Opportunity

It is the policy and practice of the Organization to provide all employees with equal employment opportunities without regard to race, color, religion, gender, age, national origin, sexual orientation, disability, disabled veteran or Vietnam-era veteran status or any other characteristic protected by law. This part of the code applies only to employees of the Organization.

G. Prohibition of Harassment

The Organization endeavors to maintain a working environment in which all individuals treat each other with respect. Accordingly, the Organization strictly prohibits conduct that constitutes or that could lead or contribute to harassment based on gender (whether or not of a sexual nature), race, color, national origin, religion, age, disability, sexual orientation or any other characteristics protected by law. Examples of prohibited conduct are: racial or ethnic slurs; threatening or intimidating acts directed at an individual because of his or her gender or sexual

orientation; and the posting or distribution of hostile written or graphic materials aimed at a particular sex or religion.

Sexual harassment is a particular type of discriminatory harassment. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made a condition of employment, either explicitly or implicitly;
- Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual; or
- Such conduct unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment.

The Organization prohibits conduct that constitutes, or could lead or contribute to, sexual harassment. Examples of such conduct are: unwelcome sexual flirtations; advances or propositions; inappropriate touching of an individual's body; graphic or verbal comments about an individual's body or appearance; sexually degrading words used to describe an individual; and the use of computers (including via the Internet or e-mail) to display or distribute sexually explicit images, messages or cartoons.

Additional rules apply to individuals with supervisory authority at the Organization. No individual with a supervisory role may at any time: (1) threaten or imply that another individual's submission to or rejection of a sexual advance will in any way influence any decision regarding that individual's employment, performance evaluation, advancement, compensation, assignments, discipline, discharge or any other term or condition of employment; or (2) make any employment decision concerning an individual on such a basis.

H. Procedures

If you believe that you have been subjected to prohibited conduct, you are urged and expected to report the relevant facts promptly. Individuals who have information about inappropriate conduct directed towards others also are encouraged to report the relevant facts promptly.

Your prompt reporting is very important so that the Organization can take action to stop the conduct before it is repeated. All reports will be followed up promptly, with further investigation conducted where needed to confirm the relevant facts. In conducting its investigations, the Organization will strive to keep the identity of individuals making reports confidential.

Any employee found to have violated this policy will be subject to disciplinary action, which may include termination of employment. Individuals who violate this policy also may be subject to legal and financial liability.

I. No Retaliation

Threats or acts of retaliation against an individual who in good faith reports inappropriate conduct pursuant to these policies are prohibited. In the event you feel you have been retaliated against for having made such a report, you should follow the above procedures.

J. Use of Foundation Computer Systems

The Organization's computer systems (including Internet access) and its e-mail systems (collectively, "computer systems") are the property of the Organization and are intended to be used for Organization business. Although employees may periodically use the computer systems for incidental personal use, they should not expect that their communications, records and other uses of the Organization's computer systems are private or confidential. The Organization reserves all rights, to the fullest extent permitted by law, to access information on its computer systems as it deems appropriate. For example, the Organization accesses such information in the course of routine systems maintenance and also periodically monitors the use of its computer systems to ensure against improper use.

Employees may not use the Organization's computer systems to conduct any unlawful activity. Employees also may not use the Organization's computer systems for any communication of a discriminatory or harassing nature or to create, transmit or receive (including by downloading from the Internet) material that could reasonably be construed by an intended or unintended recipient as harassing or disparaging of another individual or group or as otherwise offensive.

The Organization's computer systems may not be used to solicit for commercial ventures, charitable contributions for Organizations other than the Organization, for religious or political causes, or for chain letters.

K. Reporting Violations and Enforcement of the Code of Conduct

If you believe that a violation of the Code of Conduct may have occurred or may be occurring or if you have any questions about its requirements, you are encouraged and expected to bring the matter to the attention of the Deputy Director. Violations of this Code of Conduct, condoning or knowingly failing to report a violation by you or anyone else, making a false report or failing to cooperate fully in any investigation of any violation, will result in disciplinary action, which may include termination of employment. You also may be subject to the reduction or elimination of any severance amount or other benefits that you may be offered by the Organization in connection with your termination.

Certificate of Compliance

I _____ hereby certify that, except to the extent
(Print name)

noted below, I have read, understand and am in compliance with the terms of the foregoing
“Code of Conduct and Ethics.” I note the following exceptions and/or questions for consideration
by the [Chairman]. (Attach a separate sheet if necessary; if none, write or type “None”)

Date _____

Signature _____

Title _____