

Code of Ethics for Board and Committee Chairs¹

(Adapt to your organization's needs)

Rationale: Principles and practices of the [Organization's Name] Board of Directors and Committee Chairs to provide guidance and direction for effective governance.

Code: Members of the Board of Directors are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board of {Name of Organization}. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability

1. Faithfully abide by the articles of incorporation, bylaws and policies of the organization.
2. Exercise reasonable care, good faith and due diligence in governing and managing affairs. *(Principles of Duty of Care, Loyalty and Obedience.)*
3. Fully disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest.
4. Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.
5. Remain accountable for prudent fiscal management to association members, the board, and nonprofit sector, and where applicable, to government and funding bodies.

Professional Excellence - Integrity

6. Maintain a professional level of courtesy, respect, and objectivity in all matters and activities.
7. Strive to uphold those practices and assist other members of the board in upholding the highest standards of conduct.

Personal Gain – Self-Dealing

8. Exercise the powers invested for the good of all members of the organization rather than for personal benefit.

¹ The Sarbanes Oxley Act recommends that corporate boards utilize a code of conduct. (rch)

Equal Opportunity – Diversity - Inclusivity

- 9. Ensure the right of all members to access benefits and services without discrimination on the basis of culture, geography, political, religious, or socio-economic aspects.
- 10. Ensure the right of all members to access benefits and services without discrimination on the basis of the organization’s volunteer or staff make-up in respect to gender, sexual orientation, national origin, race, religion, age, political affiliation or disability, in accordance with all applicable legal and regulatory requirements.

Confidential Information

- 11. Respect the confidentiality of sensitive information known to board service and used for the purposes of governance and management.

Collaboration and Cooperation

- 12. Respect the diversity of opinions as expressed or acted upon by the organization board, committees and membership, and formally register dissent as appropriate.
- 13. Promote collaboration, cooperation, and partnership among association members.

Approved (Date) _____ Signature: X _____

Recommendation for Adoption and Usage: Read the requirements of the Sarbanes Oxley Act. Compare other organization Codes of Conduct. Appoint a task force to review and recommend a Code of Conduct to the board. Board discussion and approval. Nominating Committee to annually distribute to all nominees for review and signature. Maintain copy in the organization’s office and copy for each board member.

Code of Ethics
Board of Directors and Officers
Of the

Service on the Board of Directors of a national organization is an important honor and responsibility. Much is expected of officers and the governing Board of the _____. The membership of the association relies on its officers and Board to act in its best interests, to be knowledgeable about and proactive on the issues facing the early childhood care and education industry, to study the questions before it and to base decisions on reliable information, to be a good steward of the resources of the association, and to be honest and trustworthy in all actions. To assure the trust and ethical expectations of the members of the _____ Association, I affirm the following:

Duty of Care

In all matters affecting the _____ Association, I will act in good faith and exercise my best efforts in the performance of my duties.

I will faithfully prepare for discussions and decisions that affect the association by reading information sent to me by the association officers and staff and by striving to be knowledgeable on issues of importance to the association and its members.

I will be responsible for disseminating information I receive as a Director to all members, with my primary responsibility to inform my constituency, i.e., state association, national, or regional company, or at-large members. *(See attached examples)*

I will make decisions based on factual data rather than unsubstantiated opinions.

I will make decisions based on what is in the best interest of all members of the association, rather than any one group, individual, or special interest.

I will be honest in doing the work of the association and in speaking on behalf of the association and its leadership in order to foster trust among association members and the public.

I will respect my fellow Directors and the members of the association, acknowledging differences of opinion, providing for open and respectful discussion, and making decisions only after listening to all points of view and all available data.

I will publicly support the majority decisions made by the Board of Directors.

I will refrain from any discussion of tuition, fees, wages, etc. that might be construed as an infraction of anti-trust law or price fixing.

I will support and encourage participation in all association programs including endorsed programs.

I will hold my own business to the highest standards of professionalism, quality, and integrity, because the manner in which I conduct my individual business affairs can affect the public image of the _____ Association,

Confidentiality

I will not disclose, beyond its intended scope, any information which is marked, designated, or treated as confidential by the Board, officers, or staff and which I receive as a Director of the _____ Association.

I understand that my obligation to maintain confidentiality extends indefinitely beyond my term of office.

Conflict of Interest

I acknowledge that information, programs, research, services, and methods of operation are developed by _____ for all members and as a Director I am obligated to pass on this information to my constituencies. Therefore I will not expropriate for myself, my business, or another organization any information I receive as a result of my position as a Director of the _____ Association prior to disseminating this information to my constituents. *(See attached examples)*

I will not create any program that is in direct competition with an _____ program including the _____, the _____ credential, the Annual Conference, or other programs that the association may develop in the future.

I will openly declare any actual or perceived conflict of interest that may result from my taking part in discussion or decision making on an issue before the association while having business, professional, or personal interests that could bias my decisions. I further acknowledge the Board of Directors has the sole responsibility for determining whether my interests constitute a conflict and if so what the remedy will be. *(See attached example)*

Signature of Director or Alternate Director _____

Date _____

Example of Duty of Care:

“I will be responsible for disseminating information I receive as a Director to all members with my primary responsibility to inform my constituency, i.e., state association, national, or regional company, or at-large members.”

_____ Director, John Doe, receives a notice on the _____ Board of Directors list serve about a grant available to child care centers in all states. John fails to pass this information on to his state association members.

- **As the representative of the membership as a whole, John is obligated to pass on this information to his constituency, and in the spirit of leadership, should make a reasonable effort to do so immediately in order to equalize the opportunity among members, including himself.**

Examples of Conflict of Interest:

“I acknowledge that information, programs, research, services, and methods of operation are developed by _____ for all members and as a Director I am obligated to pass on this information to my constituencies. Therefore I will not expropriate for myself, my business, or another organization any information I receive as a result of my position as a Director of the _____ Association prior to disseminating this information to my constituents.”

1. **In the example above, John not only does not pass on the information he receives through the Board-only list serve, he applies for the grant for his own center.**
 - **John is taking advantage of information available to him in his capacity as a member of the Board of Directors of _____ and using this information for his personal gain.**
2. **_____ Board member John Doe conducts a training class for Field Counselors which is not the _____ prescribed training and/or charges a fee for the training.**
 - **John Doe is taking advantage of his position as a Director to profit when he charges a fee which is contrary to _____’s policy and interest. _____ provides this training free of charge.**
 - **John Doe is not using the prescribed training approved by _____ and therefore is negatively impacting the integrity of the _____ program.**
3. **_____ Director Mary Doe uses association-developed programs, data, papers, or other intellectual property (correspondence, procedure manuals, methods of operation, curriculum, presentations) without permission of the association and/or without citing the association as the creator or fails to report unauthorized use by his/her state association or company.**
 - **Even though the association material Mary uses may not be copyrighted, it is unethical to use the association’s property for one’s own benefit or to misrepresent the origin of the material. If the material is copyrighted, Mary’s actions are also illegal.**

“I will openly declare any potential conflict of interest that may result from my taking part in discussion or decision making on an issue before the association while having business, professional, or personal interests that could bias my decisions. I further acknowledge the Board of Directors has the sole responsibility for determining whether my interests constitute a conflict and, if so, what the remedy will be.”

1. Director John Doe owns a printing company. He lobbies the Membership Committee to have his company print the new membership brochures.

- **John must disclose his financial interest in the printing company. The Chair of the Membership Committee should then ask John to excuse himself from debate in committee and not to discuss the printing of the brochure with any Committee member.**