

How Accountable Are You?



June 27th - July 1st | Charleston, SC

61%

Agenda

- Accountability vs. Stewardship
- Accountability IQ
- Strengthening Your Accountability
- Pulling it All together
- Next Steps

What's Your Definition?

Activity:

Take a moment and write down a few thoughts on what accountability means to you and your organization?

Accountability vs. Stewardship

Accountability

- Accountability refers to an obligation or willingness to accept responsibility or to account for the organization's practices to ensure its stakeholders of its commitment to upholding the public trust vital to earning support and fulfilling its mission.

Stewardship

- In an organization context, stewardship refers to management's responsibility to properly utilize and develop its resources, including its people, its property and its financial assets. It also refers to thanking and recognizing donors. This includes organizing thank you phone calls, recognition events, and conveying the impact that the donor's gift has had.

Test Your Accountability IQ

- The next slide contains a brief test to determine your organization's accountability
- Please write *yes* or *no* for each question
- Give your organization 1 point for every *yes*
- Results will NOT be shared during this session

Does Your Organization:

- Hold staff and board trainings on ethics or take other measures to foster a culture of accountability and transparency?
- Have a code of ethics and statement of values and post it on your website?
- Follow a conflict of interest policy and post it on your website?
- Have board members with financial expertise?
- Have its financial statements independently audited?
- Take steps to remain current with the law?
- Have board members review financial statements, including the Form 990?
- Have your CEO or CFO sign the Form 990?
- File your Form 990 electronically?
- Post your Form 990 on your website?
- Post your policies, financial information, and information on programs results on your website?
- Have a supported policy on reporting suspected misconduct (a whistleblower policy)?

Test Your Accountability IQ

Score	What does it mean?
12	Great, keep up the good work and pass along your success stories and model policies for others to learn
9 – 11	Good, but there's room for improvement
6 – 8	You've indicated commitment to accountability, but need to advance beyond the basics
0 – 5	Time to get serious about accountability. Engage your board, staff and volunteers quickly to help make the needed changes

Strengthening Your Accountability

- Develop a Culture of Accountability and Transparency
 - Train new employees, volunteers and board members about the organization's principles
 - Provide refreshers and updates regularly
 - Utilize the website, intranet and other internal communication vehicles
 - “Tone at the top”
- Adopt a Statement of Values and Code of Ethics
 - Approved by the board of directors
 - Included in staff and board orientations
 - Available to the public, preferably on the organizations website
 - Ensure it is practiced

Strengthening Your Accountability

- Adopt a Conflict of Interest Policy
 - Define conflict of interest (provide examples)
 - Specify the persons who will be covered by the policy
 - Require regular disclosure of information related to conflicts of interest
 - Specify procedures for handling potential or actual conflicts of interest when they arise
- Ensure that the Board of Directors Understands and Can Fulfill Its Financial Responsibilities
 - Legal and ethical responsibility of ensuring appropriate use of assets
 - Should have financial literacy or other mechanisms for drawing on independent financial expertise

Strengthening Your Accountability

- Conduct Independent Financial Reviews and Audits
 - Avoid conflicts of interest in staff exchange between audit firm and organization
 - Disclose audited financial statements in a current and easily accessible way
 - Consider rotating audit firms or partners every five years or more
- Ensure the accuracy of and Make Public the Organization's Form 990
 - Have the board or appropriate board committee review and approve the Form 990
 - Ensure the Form 990 is signed by the CEO or CFO
 - File electronically and make it available on the website

Strengthening Your Accountability

- Be Transparent
 - Utilize the web site to share information on the organizations finances, operations, governance and impact; including but not limited to:
 - Vision and Mission Statement
 - Statement of Values and Ethics and Conflict of Interest Policy
 - Form 990 and Audited Financials
 - Programs, their impact and performance measurement
 - Annual Report
 - List of Board Members, Major Contributors and staff

Strengthening Your Accountability

- Establish and Support a Policy of Reporting Suspected Misconduct or Malfeasance (“Whistleblower Policy Protection”)
 - Can help protect the organizations credibility
 - Protects whistleblowers and levies criminal penalties for actions taken in retaliation against whistleblowers*
- Remain Current with the Law and Other Policy Changes
 - Designate a board member, member of staff, consultant or volunteer to keep up to date with the law (i.e. PCI Compliance)
 - Ensure the organization fully complies with all existing laws governing charitable organizations

***This is required by the Sarbanes-Oxley Act for ALL entities including nonprofits**

Pulling it All Together

- Why is Accountability so Important?
 - You have been entrusted to uphold the mission of your organization by the people and organizations who support you with their money, their time and with their trust
 - You may have a legal obligation (donor acknowledgements, 990's, financial reporting)
 - Between 2008 and 2009 organizations have seen a 31% increase in restricted giving and reporting on those restricted monies
 - Organizations are finding it increasingly difficult to received unrestricted / operational monies
 - More organizations are going after the same donor / grant dollar
 - Do what you say your are going to do!
 - The organization down the street does!
 - Donor Bill of Rights

Pulling It All Together: Donor Bill of Rights

- Donors have the following rights:
 - To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
 - To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
 - To have access to the organization's most recent financial statements.
 - To be assured their gifts will be used for the purposes for which they were given.
 - To receive appropriate acknowledgment and recognition.

Pulling It All Together: Donor Bill of Rights

- Donors have the following rights:
 - To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
 - To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
 - To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
 - To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
 - To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Pulling it All Together

- Capitalize on the power of the Internet to be more accountable
 - First and foremost, it's about the mission
 - Create “mission moments” to recruit and retain members / constituents
 - Target content to constituents to focus the right message at the right time to the right people
 - Demonstrate results to provide constituents with the ability to visualize the impact of their involvement
 - Post policies, 990's, Annual Reports and other financial information on your web site
- Communicate your mission in various ways without stretching resources
 - Targeted Web content
 - Multichannel communication
 - Polls and surveys (remember, if you ask for feedback, be prepared to do something with it)

Next Steps

- Get executive sponsorship to ensure the backing of the organization in your efforts
- When it comes to creating or improving policies, sweat the small stuff.
- Be financially transparent
- Utilize all of your resources, people and technology (make it a “mission moment”)
- Review and revisit on a consistent basis
- Advertise it!
- Don't give up!

Questions?