

Code of  
**ETHICS**  
& Conduct for  
**NGOs**

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WORLD ASSOCIATION OF NON-GOVERNMENTAL ORGANIZATIONS  
WANGO





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# PREFACE

In recent years, we have witnessed a dramatic increase in the importance, number, and diversity of non-governmental organizations (NGOs). NGOs now impact policies and advance initiatives that once were nearly exclusively the domain of governments and for-profit corporations, and their humanitarian service has become vital to the well-being of individuals and societies throughout the globe. In many cases, NGOs have proven more adept than governments in responding to particular needs.

This powerful “third sector,” existing between the realms of government and business, is bringing an unprecedented vitality and ability to bear on critical issues related to service and world peace. NGOs’ flexibility and connections to grassroots communities aid them in mobilizing resources quickly to affected areas. Their often single-minded commitment and strong motivation affords them a civic power that other institutions may lack.

However, with their increased importance comes increased responsibility. NGOs have the responsibility to be transparent, honest, accountable, and ethical, to give out accurate information, and to not manipulate situations for the personal benefit of their boards and staff. NGOs have a calling to go beyond the boundaries of race, religion, ethnicity, culture and politics. They have the obligation to respect each person’s fundamental human rights. NGOs are to have a system of proper governance. They must be careful to treat all public monies with utmost

seriousness as a public trust and not to misuse public money for selfish purpose. NGOs have an obligation to not align themselves with, or stand in opposition to, any particular government for purely selfish or shortsighted means, nor to become controlled by a governmental body. In short, NGOs have the responsibility to dedicate themselves for the sake of others and do so according to the highest code of ethical conduct.

Unfortunately, there are many actors in the NGO community that are neither responsible nor ethical. Alan Fowler, in his book *Striking a Balance*, utilized a collection of NGO acronyms to identify various NGO “pretenders,” such as BRINGO (Briefcase NGO), CONGO (Commercial NGO), FANGO (Fake NGO), CRINGO (Criminal NGO), GONGO (Government-owned NGO), MANGO (Mafia NGO), and PANGO (Party NGO). Other NGOs may have started with the highest ideals, but now tolerate practices that were previously unacceptable. Many NGOs do not even understand the standards that they should be applying to their activities and governance.

All NGOs, even the most sincere and selfless, can benefit from a code of ethics and conduct that systematically identifies ethical practices and acceptable standards. The adoption and internal enforcement of a suitable code not only provides an ethical check for an NGO; it also serves as a statement to beneficiaries, donors and the public that the NGO takes seriously the importance of maintaining high standards. Such a code can assist stakeholders in identifying and avoiding “pretenders” and irresponsible NGOs.

With this in mind, the *Code of Ethics and Conduct for NGOs* was produced. The *Code* is a set of fundamental principles, operational principles, and standards to guide the actions and management of non-governmental organizations.

Developed under the auspices of the World Association of Non-Governmental Organizations (WANGO), the *Code of Ethics and Conduct for NGOs* was formulated by an international committee representing the wide spectrum of the non-governmental com-

munity, and included input from NGO leaders from all regions of the world. Numerous standards and codes of conduct and ethics from NGOs and NGO associations worldwide were consulted in formulating this code. Among these were: Association of Fundraising Professionals' *Code of Ethical Principles and Standards of Professional Practice*; Australian Council for Overseas Aid's (ACFOA) *Code of Conduct*; BBB Wise Giving Alliance's *Standards for Charity Accountability*; the *Code of Conduct for The International Red Cross and Red Crescent Movement and Non-Governmental Organizations in Disaster Relief*; the *Code of Conduct for NGOs* (Earth Summit, 1992); the *Code of Conduct for NGOs in Ethiopia*; International Committee on Fundraising Organizations' (ICFO) *International Standards*; Maryland Association of Nonprofit Organizations' *Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector*; Minnesota Council of Nonprofits' *Principles and Practices for Nonprofit Excellence, NGO Code of Conduct* (Botswana); People in Aid's *Code of Good Practice*; Star Kampuchea's *Code of Ethics: Goal, Mission and Roles of NGOs and POS*; and Transparency International's *Statement of Vision, Values and Guiding Principles*.

The umbrella term "NGOs" encompasses a broad, kaleidoscopic grouping of nonprofit organizations, which espouse a variety of agendas, causes, and ideologies, and differ in size, resources, and organizational level. For the purposes of the *Code of Ethics and Conduct for NGOs*, an NGO is considered in its broadest context: a not-for-profit, non-governmental organization. The term non-profit is used in the sense of "not-profit-distributing" in that any profits are invested back into the public mission of the organization, and are not distributed for the benefit of the board, staff or shareholders - thus distinguishing the NGO sector from the business sector. The term non-governmental is used in the sense that the organization is independent of government - it is not controlled by a governmental entity nor is it established by an intergovernmental agreement. Included in the definition are large, international organizations and small, one-person operations, those that are secular as well as those that are faith-based, and both membership and non-membership groups.

*The Code of Ethics and Conduct for NGOs* is designed to be broadly applicable to the worldwide NGO community. It applies whether the organization is a mutual benefit NGO, involving an association concerned with improving the situation of its membership, or a public benefit NGO, which is working for the improvement of conditions of society as a whole or of a segment of society. The *Code* is applicable for organizations focused on international agendas as well as those seeking to improve local community affairs, and both “Northern” and “Southern” NGOs. The *Code’s* standards are applicable regardless of an NGO’s focus, whether it be humanitarian relief, advocacy, conflict prevention, research, education, human rights monitoring, health care, or environmental action.

As they adopt the role of advocates and agents of a more just and caring society, NGOs can help develop and nurture conscientious concerns in the emerging global culture. Similarly, NGOs also have a duty to maintain the highest ethical standards and stay the course in terms of their own practices and founding vision of service. It is hoped that the *Code of Ethics and Conduct for NGOs* will help inform and guide the work of NGOs in this capacity.

This *Code* will be periodically reviewed and revised as warranted.

# I. GUIDING PRINCIPLES

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*Every actor operates on the basis of fundamental principles, whether plainly stated or implicitly understood. Further, an examination of organizations that are held in universal esteem reveals a great commonality in these principles. In other words, to a great extent, good NGOs from throughout the world tend to share the same fundamental assumptions or beliefs that make their successful operation possible. The following is an articulation of the more important of these shared fundamental principles.*

## **A. Responsibility, Service, and Public Mindedness**

Sustainable progress, peace, and justice require that all organizations contribute to the common good. Thus, an NGO should integrate self-development and service to others, balancing individual and public concerns, focusing on higher, broader, and more public levels of service.

- ☉ Responsibly maintaining itself, an NGO should conduct its activities for the sake of others, whether for the public at large or a particular segment of the public.
- ☉ Public money must not be misused for selfish purposes and

all public assets are to be treated with utmost seriousness, as a public trust.

☉ An NGO should recognize that its conduct and activities impact on the public's perception of NGOs and that it shares responsibility for the public's trust of NGOs.

☉ An NGO should exhibit a responsible and caring attitude toward the environment in all of its activities.

## B. Cooperation Beyond Boundaries

Significant progress toward world peace and global well-being can be fostered through inter-religious, intercultural, and inter-racial work, and across artificial barriers of politics and ethnicity that tend to separate people and their institutions. NGOs should maintain ethical, cooperative relationships with other NGOs, and should partner where possible and appropriate for the sake of the greater public good.

☉ An NGO should be willing to work beyond borders of politics, religion, culture, race and ethnicity, within the limits of the organizing documents and with organizations and individuals that share common values and objectives.

## C. Human Rights and Dignity

As the Universal Declaration of Human Rights states, "All human beings are born free and equal in dignity and rights, are endowed with reason and conscience, and should act towards one another in a spirit of brotherhood." (Universal Declaration of Human Rights, Article 1) The family is the fundamental natural group unit of society promoting human rights and human dignity. (Universal Declaration of Human Rights, Article 16)

☉ An NGO should not violate any person's fundamental human rights, with which each person is endowed.

- ☉ An NGO should recognize that all people are born free and equal in dignity.
- ☉ An NGO should be sensitive to the moral values, religion, customs, traditions, and culture of the communities they serve.
- ☉ An NGO should respect the integrity of families and support family-based life.

## D. Religious Freedom

“Everyone has the right of freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.” (Universal Declaration of Human Rights, Article 18)

- ☉ An NGO should respect religious freedom.

## E. Transparency and Accountability

NGOs should strive for openness and honesty internally and toward donors and members of the public. Periodic accountings should be made.

- ☉ An NGO should be transparent in all of its dealings with the government, the public, donors, partners, beneficiaries, and other interested parties, except for personnel matters and proprietary information.

- ☉ An NGO’s basic financial information, governance structure, activities, and listing of officers and partnerships shall be open and accessible to public scrutiny and the NGO is to make effort to inform the public about its work and the origin and use of its resources.

- ☉ An NGO should be accountable for its actions and decisions,

not only to its funding agencies and the government, but also to the people it serves, its staff and members, partner organizations, and the public at large.

## F. Truthfulness and Legality

An NGO should be honest and truthful in its dealings with its donors, project beneficiaries, staff, membership, partner organizations, government, and the public in general, and should respect the laws of any jurisdiction in which it is active.

☉ An NGO should give out accurate information, whether regarding itself and its projects, or regarding any individual, organization, project, or legislation it opposes or is discussing.

☉ An NGO should fulfill its obligations under the laws of the nation in which it is organized or works, and must be strongly opposed to, and not be a willing partner to, corruption, bribery, and other financial improprieties or illegalities.

☉ An NGO should have a policy for staff and volunteers to confidentially bring evidence to the governing body of misconduct of anyone associated with the organization.

☉ An NGO should meet all of the legal obligations in the countries in which it is organized or works. Such obligations may include laws of incorporation, fundraising legislation, equal employment opportunity principles, health and safety standards, privacy rules, trademark and copyright legislation, and so forth.

☉ An NGO should take prompt corrective action whenever wrongdoing is discovered among its staff, governing body, volunteers, contractors, and partners.

# II. NGO INTEGRITY

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*Fundamental to the very character of each NGO is that it be not-for-profit, nongovernmental, organized, independent, self-governing, and voluntary. While these general criteria may appear self-evident, particularly for those NGOs whose national law codifies and requires such standards, they remain basic for the integrity and conduct of an NGO.*

## A. Nonprofit

**1. NOT-FOR-PROFIT** The NGO is to be organized and operated as a not-for-profit organization. Any surplus that is generated through its operations is to be utilized solely to help the organization fulfill its mission and objectives. No part of the net earnings of the NGO is to inure to the benefit of the directors, officers, members or employees of the organization, or to any other private persons, except that the NGO may provide reasonable compensation for services provided to the organization.

**2. TRADE OR BUSINESS** The organization is not to be operated for the primary purpose of carrying on a trade or business, unrelated to its mission and stated objectives.

**3. GOVERNING INSTRUMENT** The NGO's governing instrument shall prevent the organization from distributing profits or assets for the benefit of individuals both during operation and when winding up.

## B. Non-Governmental

**1. NON-GOVERNMENTAL** The organization is not to be part of, or controlled by, government or an intergovernmental agency.

**2. POLITICALLY INDEPENDENT** The organization shall maintain independence and not be rigidly aligned or affiliated with any political party, although it may share a common political or legislative cause within the limit of its mission, stated objectives and legal structure. By itself, being non-governmental does not mean that an NGO is prohibited from political activity, although certain types of NGOs may be proscribed by their nations from political and legislative activity, such as tax-exempt organizations in the United States, which are prohibited from participating or intervening to any substantial extent in attempts to influence legislation or participating in political campaigns to support or oppose any candidate(s) for political office. However, an NGO that is permitted to do political and legislative activity shall only engage within the limit of its mission and stated objectives.

**3. FOREIGN POLICY** The organization shall not act as an instrument of government foreign policy, but act independently of governments. The NGO shall not seek to implement the policy of any government, unless it coincides with the mission of the organization and the organization's own independent policy.

## C. Organized

**1. ORGANIZING FEATURES** The NGO shall have an organizing document, an executive board, officers, and regular meetings and activities.

**2. ORGANIZING DOCUMENTS** The organizing documents (such as bylaws, a written constitution, or memorandum of association) shall clearly define the mission, objectives, governance structure, membership rights and obligations, if any, and rules of procedure.

**3. LEGAL RECOGNITION** These organizing principles apply whether or not the NGO is legally recognized by any government.

## D. Independent and Self-Governing

**1. INDEPENDENT** The organization shall be independent. Its policies, vision, and activities shall not be determined by any for-profit corporation, donor, government, government official, political party, or other NGO.

**2. SELF-GOVERNING** The organization shall govern itself autonomously, according to whatever governance structure it selects for itself. It shall be equipped to control its own activities.

## E. Voluntary

**1. VOLUNTARY VALUES AND PRINCIPLES** Rather than being required to exist by law, NGOs are formed by private initiative, resulting from the voluntary actions of individuals who have chosen to pursue a shared interest or concern. The retaining of voluntary values and principles shall remain a primary force in the way of working of the NGO.

**2. CONTRIBUTIONS FROM VOLUNTEERS** In order to achieve its mission and objectives, the organization is to have meaningful contributions from volunteers. These may include both the target group and supporters.

**3. VOLUNTEERISM OF GOVERNING BOARD** Those who are part of the NGO's governing body (generally the board of directors) are to serve in a voluntary capacity, for no pay.

# III.

# MISSION & ACTIVITIES

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*An NGO's mission is its raison d'être—the reason or purpose why the NGO exists and what it hopes to accomplish. NGOs have an obligation to clearly identify and articulate their mission. This well-defined mission should serve as the foundation and frame of reference for all activities and organizational planning of the NGO. An NGO has an obligation to utilize its resources in an effective and efficient manner toward accomplishment of its stated purpose.*

## A. Mission

**1. FORMAL STATEMENT** The organization shall formally and succinctly state its mission in a written statement approved by the governing body of the NGO. This statement shall clearly set forth why the NGO exists and what it hopes to accomplish.

**2. BOARD OF DIRECTORS** Each member of the board of directors shall fully understand and support the mission of the organization.

**3. PUBLIC AVAILABILITY** The mission statement of the NGO shall be made available to all officers, members, staff, partners, donors, program beneficiaries, and the public in general.

**4. EVALUATION** The mission of the NGO shall be reviewed

periodically (every two or three years) to determine if it is still relevant. Among issues to evaluate: (a) whether the mission has been fulfilled, either by the organization or another entity, and thus whether there is a need for the organization as currently constituted to continue to exist; (b) whether the mission should be revised to reflect societal changes; or (c) whether there is a desire for the organization to address new needs which might require a new mission statement.

## B. Activities

**1. CONSISTENT WITH MISSION** Activities shall be consistent with the organization's mission. The NGO's mission is to serve as the foundation for strategic planning and as the blueprint for the organization's activities. The NGO's focus shall be directed toward making sure that its goals are met.

**2. EFFECTIVE AND EFFICIENT** The programs of the organization shall effectively and efficiently work toward achieving its stated mission.

**3. FEEDBACK** The organization shall regularly seek feedback on its activities from project beneficiaries, as well as other stakeholders.

**4. EVALUATION** The activities of the organization shall be critically examined periodically to determine their relevancy to the mission, their efficiency and effectiveness, the value of continuing the programs or revising them, and the need for new programs. Among issues to evaluate: (1) whether the activities are consistent with the current mission of the organization or whether they need to be revised or discontinued in light of changes in the mission; (2) the efficiency and effectiveness of the programs in achieving the NGO's objectives; (3) the outcomes for the program beneficiaries; (4) the cost of the program relative to its outcomes; and (5) whether new services should be offered. Evaluations shall be open and honest and include input from stakeholders.

**5. PROFESSIONALISM** The organization shall carry out its activities with professionalism and centered on the concept of serving others.

**6. PERCENTAGE OF EXPENDITURES** The organization shall spend at least 65% of its total expenditures (including fundraising costs) on program activities, and ideally more than 80%. If the organization does not meet this 65% standard, it should provide reasons why its higher overhead and fundraising expenditures are reasonable. Possible explanations for not meeting this standard could be the higher administrative and fundraising costs of a new organization and exceptions related to donor restrictions or unusual political and social factors.

# IV. GOVERNANCE

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*An effective governance structure and a strong, active, and committed governing body is crucial to the soundness of an organization and its ability to achieve its mission and objectives. The plan of governance of an NGO should reflect the core values, mission, and cultural standards of the organization. Democratic principles should be used where appropriate and applicable. The governing body of an NGO (generally a board of directors or trustees) holds ultimate responsibility for all activities and resources of the organization. This includes establishing the direction of the organization, beginning with its mission statement, and assuring that the mission statement is appropriate and relevant as times change. The governing body also determines the organization's activities and monitors their compliance with the mission. The governing body exercises responsibility for obtaining and appropriately employing the human and financial resources to carry out the organization's mission and sustain the organization, and oversee fiduciary and legal requirements.*

## A. Governance Structure

**1. PLAN OF GOVERNANCE** The NGO shall establish a plan of governance that best allows it to fulfill its mission, and reflects the core values and cultural standards of the organization. Democratic principles are to be used where appropriate and applicable.

**2. ORGANIZING DOCUMENTS** The organization's governance structure - including rules relating to the conducting of business by the governing body and, if applicable, an executive committee that acts between board meetings, and the procedure for electing and appointing officers and their roles - is to be clearly specified in the organizing documents (bylaws, etc.) and available to all interested parties.

## **B. Structure of the Governing Body**

**1. DIRECTOR RESOURCES** The NGO's governing body shall consist of individuals who are dedicated to the mission of the organization, willing to volunteer their time and energies toward achievement of the mission, and able to offer substantial contributions to the organization. Among resources they may bring to the governing body are experience and wisdom; prestige; the ability to raise money for the organization; and professional skills, such as legal, accounting, management, fundraising and marketing.

**2. UNRELATED DIRECTORS** The governing body is to have at least three members, who are not closely family related, and preferably should have at least five unrelated members. Family relationships are accepted between two members at most, but then the board should have seven or more members.

**3. POLICIES ON PAID STAFF** The organization shall have a policy restricting the number of paid staff who are voting members of the governing body, ideally to no more than one person or 10% of the governing body. An indirectly or directly compensated person should not serve as the governing body's chairman or treasurer.

**4. TERM LIMITS** Term limits are to be established for membership on the governing body. Consideration should be given to both the maximum number of years that can be served in an individual term and the number of consecutive terms allowed. It is generally preferable to limit board service to a maximum of three-year terms and three consecutive terms, with at least one

year required before a member becomes eligible for re-election after completing the maximum number of consecutive terms.

**5. NOMINATING COMMITTEE** The procedure for nominating members to serve on the governing body shall be known to members and other relevant parties.

**6. DIVERSITY** The governing body should have broad representation, reflecting the diversity of the NGO's constituencies. The NGO may enhance participation of members from diverse geographical distances if the organization's bylaws, and the local or national law, allow meetings via such technologies as teleconferencing.

**7. BYLAWS** Each member of the governing body is to be presented with the bylaws of the organization and be familiar with these bylaws.

**8. COMPENSATION** Members of the governing body are not to receive compensation for their board service. They may receive reimbursement for expenses directly related to their board duties.

## C. Responsibilities of the Governing Body

**1. MISSION STATEMENT** The governing body shall establish the direction of the NGO, by creating or adopting the mission statement, reviewing it periodically for accuracy and validity, and revising it as necessary or desirable.

**2. PROGRAMS AND COMPLIANCE** The governing body shall determine the NGO's programs and services, and monitor their compliance with the mission and their effectiveness and efficiency.

**3. RESOURCES** The governing body shall ensure the organization has the proper resources to fulfill the mission.

**4. ANNUAL BUDGET AND FUNDRAISING** The governing

board shall approve the annual budget and actively participate in the fundraising process. In approving the annual budget, the governing body is to ascertain the percentage of the resources spent on administration and fundraising, versus program expenses, and strive for a goal of at least 65% of revenue being used for programs, and ideally greater than 80%.

**5. RESOURCE MANAGEMENT** The governing body shall manage the resources effectively, and provide oversight regarding fiduciary and legal requirements.

**6. CHIEF EXECUTIVE OFFICER HIRING AND EVALUATION** The governing body shall hire the chief executive officer, undertaking a careful search process to find the most qualified individual. The governing body also shall set the chief executive officer's compensation, ensure that he or she has the moral and professional support needed to advance the goals of the NGO, and periodically evaluate his or her performance.

**7. STRATEGIC PLANNING** The governing body shall actively participate with the staff in long-term and short-term strategic planning processes, including defining goals and objectives and the success of the NGO toward achieving its mission.

**8. CODE OF ETHICS AND CONDUCT** The governing board shall approve a code of ethics and/or conduct for the NGO, and assure that the organization is in compliance with this code.

**9. AMBASSADORS FOR THE NGO** Members of the governing board shall serve as ambassadors for the organization, articulating its mission, accomplishments and goals to the public, and garnering support for the organization.

## D. Conduct of the Governing Body

**1. MEETINGS OF THE GOVERNING BODY** The governing body, and any subset of the governing body (executive committee) which is authorized to conduct the affairs of the organization between meetings of the governing body, are to meet as

frequently as is necessary to fully and adequately conduct the business of the organization. At a minimum, there should be at least 4 meetings annually of the governing body, or the governing body and the executive committee combined. If face-to-face meetings are not required by local or national law and the organizing documents, then communication technologies can aid in conducting frequent meetings.

**2. MINUTES** Minutes of each meeting of the governing body and executive committee, and reports of each committee when acting in the place of the governing body, are to be produced, distributed to each member of the governing board, and archived for future reference. The minutes also are to be available to an association's membership, officers, staff, and the general public, with the exception of discussions related to personnel evaluation and other such confidential information.

**3. RESPONSIBILITY FOR CONDUCT** The governing body shall be responsible for its own conduct. The governing body is to establish written expectations for board members (including expectations related to service on committees, attendance at meetings, and participation in fundraising and program activities), and annually evaluate its own performance. If not already established in the organizing document, the governing body is to establish job descriptions for its officers (chair, treasurer, secretary, etc.).

## E. Conflict of Interest

**1. BEST INTERESTS OF THE NGO** In serving on the governing body, directors shall put organizational goals before personal goals, and put the best interests of the organization ahead of individual desires.

**2. MATTERS IMPACTING A DIRECTOR** No director shall participate in deciding a matter directly impacting that individual (such as re-election to the governing body, personal remuneration, etc.)

**3. DISCLOSURE** Each director shall disclose all potential and actual conflicts of interest, including each institutional affiliation he or she has that might possibly involve a conflict of interest (such as sitting on a board of another NGO with overlapping goals and missions). Such disclosure does not preclude or imply ethical impropriety.

**4. WRITTEN CONFLICT OF INTEREST POLICY** The governing body shall develop a written conflict of interest policy, which is applicable to the directors and to any staff and volunteers who have significant decision-making authority regarding the organization's activities or resources, as well as relevant organizational partners.

**5. SIGNATURE** The governing body shall provide its members with the written conflict of interest statement, which should be signed by the individual at the outset of each term of service.

**6. LOANS TO MEMBERS OF THE GOVERNING BODY** If an NGO has provision for making loans to members of the governing body, there shall be a policy describing how the loans operate. All loans or transactions with members of the governing body are to be included in the NGO's full financial reports and publicly disclosed.

# V.

# HUMAN RESOURCES

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*A committed, capable and responsible staff is vital for the success of an NGO. The foundation for this is effective human resource policies. For most NGOs, these should address both paid employees and unpaid volunteers, given the use of volunteers in many roles, including in management and as individuals rendering program and support services. An NGO should seek qualified staff, offer them proper training and supervision, treat them with fairness and equity, and provide them with avenues for individual growth and development. On the other hand, the NGO should expect employees and volunteers to maintain the highest standards of professional and personal conduct, use information and resources responsibly, and avoid conflicts of interest.*

## A. Responsibilities of the NGO

**1. CAPABLE AND RESPONSIBLE STAFF** The organization shall seek capable and responsible employees and volunteers (collectively, “staff”), who are committed to the mission of the organization.

**2. TRAINING AND WORKING CONDITIONS** The organization shall provide proper training and orientation for new staff, and provide them with suitable working conditions.

**3. WRITTEN HUMAN RESOURCE POLICIES** If the organization has ten or more staff, it is to have written human resource policies (or an employment manual) for its staff, including basic aspects of employment (benefits, vacation days, sick leave, etc.), and other fundamental policies such as confidentiality of information, computer policies (use of computer resources for personal work, ownership of computer resources), drug and alcohol policy, conflict of interest, and grievance procedures. If the organization has fewer than ten staff, it is encouraged to have written human resource policies for its staff.

**4. STAFF GROWTH AND DEVELOPMENT** The organization shall provide opportunities for individual growth and staff development, and foster an atmosphere whereby supervisors encourage personal growth of staff.

**5. FAIRNESS AND RIGHTS** All staff shall be treated with fairness and equity, and as individuals with rights to be honored and defended. Their rights to freedom of association, conscience and expression must be respected and protected.

**6. CODE OF ETHICS AND CONDUCT** Each staff member shall be provided with the NGO's code of ethics and/or conduct and any written human resource policies.

**7. COMMUNICATION OF SERIOUS CONCERNS** Key staff shall be enabled to communicate serious concerns to a member of the governing board or officer.

**8. STANDARDS AND RESPONSIBILITY** Staff shall be encouraged and guided in maintaining the highest standards of professional and personal conduct, and in taking personal and professional responsibility for their actions and decisions.

**9. CONFIDENTIALITY** Guidance shall be provided staff with access to official documentation or information regarding maintenance of the integrity, confidentiality, and privacy of such information to protect any individual concerned.

## B. Conflicts of Interest

**1. WRITTEN POLICY** The governing body shall provide staff who have decision-making power a written statement of how they shall handle potential conflicts of interest. Ideally, this statement will be signed by each individual at the time of their beginning service with the NGO and periodically thereafter.

**2. DISCLOSURE** Each officer shall disclose each institutional affiliation that he or she has that might possibly involve a conflict of interest.

**3. GIFTS** The NGO shall establish a policy regarding gifts to staff members, such as requiring that staff refuse all significant gifts connected with their position, or turn them over to the organization.

**4. USING POSITION FOR PERSONAL BENEFIT** Staff members shall refrain from using their official position, either regular or volunteer, to secure special privilege, gain or benefit for themselves.

**5. LOANS** If the organization has provision for making loans to staff, there is to be a policy describing how the loans operate and all loans shall be disclosed to the governing body.

**6. BEST INTERESTS OF THE NGO** Employees and staff should put organizational goals before personal goals, putting the best interests of the entire program ahead of individual desires.

# VI.

# PUBLIC TRUST

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*Trust is the lifeblood of an NGO - trust by the public, trust by the media, trust by the government, trust by corporations, trust by donors, trust by other NGOs, trust by beneficiaries, and trust by its employees and those who volunteer their time. To develop and maintain trust, each NGO should exhibit genuine public accountability and transparency, and should be honest in the information that it makes available to the public.*

## A. Public information on the NGO

**1. ACCURACY AND TIMELINESS** Information provided about the organization to donors, members, clients, staff, and the general public shall be accurate and timely.

**2. ANNUAL REPORT** At least annually, the organization shall prepare and make available to the public information on its programs and services, and provide public access to appropriate records of those programs and services.

**3. FINANCIAL INFORMATION** The NGO annually shall prepare and make available to the public basic financial information on the organization, including the source of its funding; the use of those funds; the percentage of the funds used for service and programs, administration activities, and fundraising; and any compensation provided to the governing body. The NGO shall also provide public access to appropriate financial records.

**4. LISTING OF GOVERNING BODY AND OFFICERS** The organization shall make available the names of its governing body and management staff, publicize any changes in its governing board, and provide access to appropriate minutes of meetings of its governing board.

**5. PARTNERSHIPS** The organization shall make available, in a timely and accurate manner, information on any partnerships or other joint ventures into which it has entered.

**6. CONFIDENTIALITY** The organization shall maintain the confidentiality of personal information on staff, clients and others, unless the individuals waive this right, or disclosure is required by law.

**7. COMPARISON** The organization shall describe itself in terms of its own merits, not in depreciation of other NGOs. Communications regarding another NGO shall not be made with the purpose of creating a self-benefit at the expense of the other.

**8. COMMUNICATIONS CHANNEL** The organization shall provide a communication channel for the public should they wish to make inquiries regarding the NGO and its activities.

**9. DISCLOSURE** The NGO shall assign at least one person to assure that the organization is complying with national and local laws regarding disclosure of information to the public.

## **B. Public advocacy**

**1. ACCURACY AND IN CONTEXT** Information that the organization chooses to disseminate to the media, policy makers or the public must be accurate and presented with proper context. This includes information presented by the NGO with respect to any legislation, policy, individual, organization, or project it opposes, supports, or is discussing. Forward-looking projections are to be presented clearly as such, and not as fact.

**2. VERBAL AND WRITTEN STATEMENTS** The organization shall have clear guidelines and approval processes for the issuing of verbal and written statements.

**3. DISCLOSURE OF BIAS** The organization shall present information in a fair and unbiased manner. Where a possible bias is unavoidable or inherent, it is to be disclosed.

**4. AUTHORITY FOR STATEMENTS** An NGO's statements must reflect its actual authority. A membership NGO may be able to represent its membership, if such a role is provided in its organizing document and the views of the membership are determined by proper means. A public benefit NGO shall not improperly assume the authority of the community it serves.

# VII.

# FINANCIAL & LEGAL

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*NGOs should have proper financial and legal procedures and safeguards in place, not only to stay within the law, but also as a measure of the organization's health and to assure donors, members, and the general public that investments in the organization are safe and being correctly used. NGOs should employ sound internal financial procedures, maintain financial records carefully, and make financial statements available to the public. They should also have their financial records reviewed periodically by a qualified examiner who can certify that the organization is operating legally and according to generally accepted accounting practices. NGOs must be diligent that they are complying with applicable federal, state and local laws.*

## A. Financial Transparency and Accountability

**1. FISCAL RESPONSIBILITY** Members of the governing body hold ultimate fiscal responsibility for their organization and are to understand the organization's financial statements and reporting requirements.

**2. ANNUAL BUDGET** The organization's annual budget is to be approved by the governing body, and is to outline projected expenses for program activities, fundraising, and administration. The NGO is to operate in accordance with that budget.

**3. INTERNAL FINANCIAL STATEMENTS** Internal financial statements shall be prepared regularly and provided to the governing body. Any and all significant variations between budgeted expenses and actual expenditures, and between budgeted revenues and actual revenues, are to be identified and explained to the governing body.

**4. FINANCIAL POLICIES** The NGO shall have established financial policies, suitable for the size of the organization, regarding the receiving and disbursement of financial resources, investment of assets, purchasing practices, internal control procedures (such as policies for signing checks), and so forth.

**5. INTERNAL CONTROL PROCEDURES** The organization's internal control procedures shall have a safeguard against a person having the power to issue a check to himself or herself, such as requiring an additional signature. The organization's internal control procedures shall have a safeguard against one person being able to issue a check over a certain amount (such as two signatures being needed over \$5,000) and shall have restrictions on checks made out to cash.

**6. AUDIT** If the organization has substantial annual revenue, the accuracy of the financial reports shall be subject to audit by an independent, qualified accountant. NGOs with small gross incomes are to have a review by a qualified accountant. For NGOs with very small revenues, an internally produced, complete financial statement may suffice.

**7. PROFESSIONAL STANDARDS** The organization shall adhere to professional standards of accountancy and audit procedures as stipulated by the law in its nation, and fulfill all financial and reporting requirements.

## B. Legal Compliance

**1. LAWS AND REGULATIONS** The organization's activities, governance, and other matters shall conform to the laws and regulations of its nation and locality. (An NGO may seek to

change those laws and regulations, if such activity is consistent with its mission.)

**2. ATTORNEY REVIEW** The organization shall obtain attorney review of the organizing documents of the NGO to make sure that they are in compliance with existing laws and regulations, and shall make recourse to attorney services as appropriate to ensure continued legal compliance.

**3. LIABILITY INSURANCE** The organization should consider having liability insurance, if available and applicable.

**4. INTERNAL REVIEW** The organization periodically shall conduct an internal review regarding compliance of the organization with current laws and regulations and summaries of this review should be presented to members of the governing body.

# VIII.

# FUNDRAISING

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*In order to fund their operational and program costs and reach their objectives, most NGOs raise funds from outside their organization, via seeking voluntary financial support from foundations, corporations, individual donors, and government agencies. However, such financial support is not simply the movement of money from these sources to the NGO. It is a two-way street, involving value for and obligations to the donor. As a recipient of such funds, it is important that the NGO be open and transparent, be accountable to the donor, use the funds responsibly and according to the intent of the donor, and allow the funding individuals and organizations to be able to have insight into the project at all times. It is important that the fundraising activity also be consistent with the mission of the NGO.*

## A. General Fundraising Principles

**1. GOVERNING BODY** The governing body should be very active in the fundraising effort, including being active in solicitations and in making individual contributions.

**2. CONSISTENCY WITH MISSION** The organization shall only accept funding that is consistent with its mission, does not compromise its core principles, and does not restrict its ability to address relevant issues freely, thoroughly, and objectively.

**3. TRUTHFUL** The organization must be truthful in all matters relating to the raising of funds and their use.

**4. MISSION PRIORITY** Programs shall be designed to meet the mission of the NGO and never designed simply to meet the needs of a funding source.

**5. UNETHICAL ACTIONS** The organization must not tolerate any unethical activities such as double funding for one project, diversion of dedicated funds to uses other than the project for which funds were approved, or overstatement of achievements.

## **B. Solicitations**

**1. SOLICITATION MATERIALS** The organization shall be careful to ensure that all solicitation and promotional materials are accurate, and that they clearly and truthfully present the NGO, its mission, and its programs. All solicitations are to correctly reflect the NGO's planned use of the solicited funds, and fundraising solicitations shall only make claims that the organization can fulfill. There shall not be any exaggerations of fact or material omissions, nor any communication or images that would create a false or misleading impression.

**2. TAX BENEFITS** The organization shall ensure that donors receive informed, accurate, and ethical information regarding the tax implications of potential gifts.

**3. FUNDRAISING PRINCIPLES** Fundraising shall be for the purpose of the NGO's mission, and free of coercion, improper motive, inappropriate conduct, unreasonable reward, or personal inurement.

**4. EXCESS FUNDS** When funding for a particular purpose is invited from the public, there shall be a plan for handling any excess funds, and, where appropriate, the appeal should include information on how any excess funds will be used.

**5. COMPENSATION TO FUNDRAISERS** The organization shall not provide compensation to fundraisers that is based on a percentage of charitable contributions raised or expected to be raised, nor should it provide a finder's fee. Percentage-based

compensation can be an impediment to keeping the donor's and NGO's best interests primary, and may foster unethical behavior or inappropriate conduct on the part of the fundraiser. It likewise can be a hindrance toward maintaining a volunteer spirit and keeping the mission of the NGO at the forefront, and may offer reward without merit in the case of a large donation that may be the product of many individuals. The organization may provide compensation based on skill, effort and time expended, and performance-based compensation, such as bonuses, provided such bonuses are in accordance with prevailing practices of the NGO and not based on a percentage of charitable contributions raised.

**6. SALES PROMOTIONS** Fundraising promotions involving the sale of products or services shall indicate the duration of the campaign, and the actual or anticipated portion of the purchase price that will benefit the NGO or program.

**7. PERCENTAGE OF FUNDRAISING COSTS** The costs involved in fundraising shall be reasonable relative to the revenue generated. Over the course of a number of years, the NGO's average expenditure on fundraising activities should be one-third or less of the amount of revenue generated from these activities, and ideally fundraising costs should be less than 25% of fundraising income. An organization that does not meet this ceiling of 33 1/3% (fundraising costs/fundraising revenue) over a five-year period should demonstrate that it is progressing toward this goal or explain why its fundraising costs are reasonable (such as the higher fundraising costs of a newly-created organization, or unique donor, social or political factors).

**8. INFORMATION ON SOLICITORS** The NGO shall have policies in place to protect the donor's right to be informed whether the solicitors are paid staff, volunteers, or agents of the NGO.

## C. Use of Funds

**1. USE OF CONTRIBUTIONS** The organization shall ensure

that contributions are used as promised or implied in fundraising appeals or for the purposes intended by the donors.

**2. GRANT COMMITMENT** When the organization accepts a grant, it is entering into a contract to carry out the program activities in an agreed-upon manner, and has an ethical and legal responsibility to honor that commitment.

**3. DONOR CONSENT FOR CHANGES** The organization may alter the conditions of a gift or grant only by obtaining explicit consent by the donor.

**4. EFFICIENT AND EFFECTIVE USE** The organization shall ensure efficient and effective use of grants and charitable contributions.

## D. Accountability

**1. TRACKING EXPENDITURES** The organization shall set up an organized system to track grant expenditures.

**2. TIMELY REPORTS** The organization shall produce timely reports on the use and management of funds.

**3. FINANCIAL STATEMENTS** Financial statements regarding donations shall be available upon request by the donor and interested parties.

## E. Relationship with Donor

**1. DONOR RELATIONSHIP** The directors, management, staff and volunteers of the organization shall not exploit any relationship with a donor or prospective donor for personal benefit or the benefit of any relative, friend, associate, colleague, and so forth.

**2. CONFIDENTIALITY** Privileged or confidential information regarding the donor or donation must not be disclosed to unau-

thorized parties.

**3. DONOR PRIVACY** A donor's privacy shall be respected and an NGO must safeguard any confidential information regarding the donor or the gift. Donors are to have the opportunity to remain anonymous, and to not have their names added to any lists that are sold, rented or given to others, unless the donor has had an opportunity to approve such lists or have their names removed.

**4. PRIVACY POLICY** The organization shall have a clear and easily accessible privacy policy that informs the public what information is being collected on individuals and donors and how that information will be used, how to contact the organization to review personal information collected and to request corrections, how to inform the NGO that the individual does not wish his or her personal information to be shared outside the NGO, and what security measures are in place to protect personal information.

**5. UNETHICAL SOLICITATIONS** The NGO or its agents must not use excessive pressure, coercion, undue influence or other unethical means in their solicitations.

# IX.

## PARTNERSHIPS, COLLABORATION & NETWORKING

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*When appropriate, NGOs may find that cooperation with other civil society organizations, government and intergovernmental agencies, and for-profit corporations may be beneficial in advancing their mission-related objectives. Such collaboration for common good may reduce duplication of services and eliminate using resources for competitive purposes rather than serving constituencies. Collaboration may allow pairing diverse strengths and resources and promote effectiveness in tackling priorities. However, an NGO may enter into such a relationship only if it is consistent with its mission.*

### A. General Principles of Partnerships and Collaboration

**1. MISSION CONSISTENCY** The organization shall collaborate with other entities only if the relationship is consistent with the mission of the NGO.

**2. SHARED VALUES** The organization shall collaborate on the basis of shared values, common ground, and for the good of society.

**3. MUTUAL BENEFIT** The NGO shall collaborate on the basis

of equitable and genuine mutual benefit to each organization.

**4. TRANSPARENCY** NGO collaboration shall allow financial transparency and a two-way flow of information, ideas, and experiences.

**5. ADAPTIVE TO CHANGE** Collaborations are to be adaptive to change. Changes in the relationship are to be developed through cooperation, and not forced by one or the other organization.

## **B. Relations With Other NGOs and Civil Society Organizations**

**1. COMMON OBJECTIVES** When appropriate, NGOs with overlapping missions, values, and target groups should partner with each other and civil society organizations, when it would be beneficial for the common target groups and for the achievement of common objectives.

**2. COMPETITION AND SERVICE DUPLICATION** NGOs with overlapping missions, values, and target groups should refrain from competing with each other and with other civil society organizations, and should refrain from unnecessary duplication of services and disruption of each other's projects.

**3. INFORMATION SHARING** NGOs with overlapping missions, values and target groups should share relevant project information with other NGOs and civil society organizations, and mutually support each other.

**4. SUPPORT FOR OTHER NGOS** The NGO shall express solidarity with campaigns and actions of other NGOs, and promote the effectiveness and success of other NGOs, when it does not compromise the integrity or values of the NGO.

**5. NETWORKING** The organization shall network with other ethical NGOs as a means for promoting the growth, effectiveness and efficiency of the NGO sector and the ability to advance the public good.

## C. Relations with Government Agencies and Intergovernmental Bodies

**1. NGO OBJECTIVES AND INDEPENDENCE** The organization shall enter into a partnership agreement with a government or intergovernmental body only when it is beneficial to achievement of the NGO's objectives and does not compromise the independence or self-control of the organization.

**2. APPROPRIATE AND MUTUALLY BENEFICIAL** The organization shall seek to dialogue and cooperate with government and intergovernmental agencies when such cooperation would be both appropriate and mutually beneficial and could increase the NGO's effectiveness in dealing with issues and priorities in its agenda.

**3. MISSION-LED** The organization shall not enter into a partnership with a governmental or intergovernmental body solely to promote the sustainability or competitive advantage of the NGO independent of achieving its mission objectives.

**4. POLITICAL FAVOR** The organization shall not change its policies or non-partisan nature in order to curry political favor.

## D. Relations with For-Profit Corporations

**1. NGO OBJECTIVES AND INDEPENDENCE** The organization shall enter into collaboration with a for-profit corporation only when it is beneficial to achievement of the NGO's objectives and does not compromise the independence or self-control of the organization.

**2. MISSION-LED** The organization shall not enter into collaboration with a for-profit corporation if motivated by financial reasons that are independent of achieving its mission objectives.

**3. MARKET ADVANTAGE** The organization shall not enter into collaboration with a for-profit corporation if the main motivation of the corporation is to gain a market advantage over competitors.

# ACKNOWLEDGEMENTS

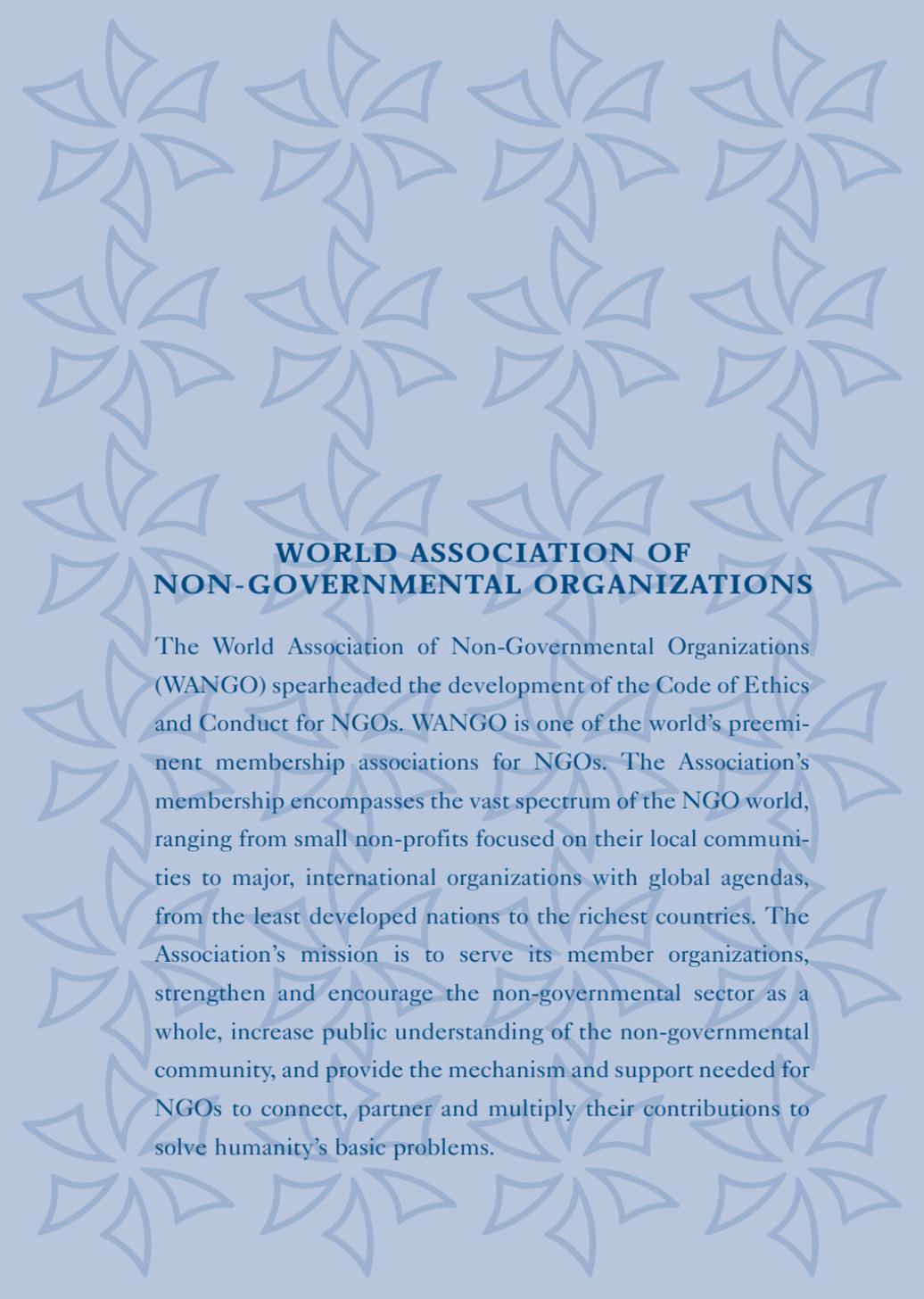
Numerous individuals, representing non-profit organizations from throughout the world, contributed to the development of the *Code of Ethics and Conduct for NGOs*. These leading authorities, drawn from the non-governmental realm, as well as from academia and the government sector, participated by serving on the Code of Ethics Committee and/or the Working Committee, engaging in meetings on the *Code* at international gatherings, and by carefully reviewing preliminary versions of the *Code* and offering their recommendations.

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In reality, those contributing to this *Code* are too many to mention, with direct input from leaders of organizations of over 60 nations. In early 2005, this *Code* was reviewed by the entire WANGO membership in over 140 nations.

It was already noted in the preface the debt that the *Code of Ethics and Conduct for NGOs* has to the pioneering ethics codes and standards documents produced by other organizations.



## **WORLD ASSOCIATION OF NON-GOVERNMENTAL ORGANIZATIONS**

The World Association of Non-Governmental Organizations (WANGO) spearheaded the development of the Code of Ethics and Conduct for NGOs. WANGO is one of the world's preeminent membership associations for NGOs. The Association's membership encompasses the vast spectrum of the NGO world, ranging from small non-profits focused on their local communities to major, international organizations with global agendas, from the least developed nations to the richest countries. The Association's mission is to serve its member organizations, strengthen and encourage the non-governmental sector as a whole, increase public understanding of the non-governmental community, and provide the mechanism and support needed for NGOs to connect, partner and multiply their contributions to solve humanity's basic problems.



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