

PRESENTED BY:
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ETHICAL CONSIDERATIONS FOR THE NONPROFIT SECTOR

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THE PERSONAL CONNECTION – CASE STUDY

- Two organizations under one common name
- For Profit and Nonprofit
- IRS, AMEX, Payroll, Misappropriations
- Total funds in question > \$100k
- Contracts sold and deposited

COURSE OF ACTION?



NEW BEGINNINGS

- Alternativ Global Entrepreneurs
- Social Enterprise, Licensing Model
- New Horizons, fiscal sponsor



ETHICAL CONSIDERATIONS



Ethics informs the very essence of the organization

- It dictates how we do our work and how we choose to accomplish the mission
- Cultivating an ethical culture takes intentional effort

WHEN ORGANIZATIONS MISBEHAVE



Nonprofits in the news:

- Embezzling
- Misappropriation of funds
- Nepotism
- Conflicts of interests


LOCAL SCANDALS

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Where the business
community meets

The Colorado Springs
BUSINESS JOURNAL

Update: Seeds closes doors following founder's departure

By Bryan Grossman Aug 7, 2017 

SCANDALS IN THE NEWS

Trump Pays \$2 Million to 8 Charities for Misuse of Foundation

Under a settlement, the president admitted he had used his charity to bolster his campaign and settle business debts.



Feds actively investigating Clinton Foundation

By [Laura Jarrett](#) and [Evan Perez](#), CNN
Updated 8:01 AM EST, Sat January 6, 2018




Video Ad Feedback

01:37 - Source: [CNN](#)

Source: Feds investigating Clinton Foundation

MORE FROM CNN

 The stories of our place.

 Judge appears lik January 6-related challenge against

DON'T GO SMALL
GO AUSTR

EXPLORE NOW

SCANDALS IN THE NEWS

VETERANS · Published March 11, 2016 8:32am EST

Wounded Warrior Project's top execs fired amid lavish spending scandal

By | Fox News

 politics

[The Biden Presidency](#) [Facts First](#) [US Elections](#)

4 charged with using 'Wounded Warrior' name to raise over \$150,000 for personal profit

By Noah Gray; Video by Jeff Simon, CNN

1:45 PM EDT, Fri March 16, 2018

U.S. NEWS

Jerry Falwell Jr. sued by Liberty University for millions over sex, extortion scandal

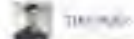
Falwell's departure came soon after Giancarlo Granda, a younger business partner of the Falwell family, said he had a yearslong sexual relationship with Falwell's wife.

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INVESTIGATION

New York Attorney General Moves To Dissolve The NRA After Fraud Investigation

By [Name] | Updated 11/10/23



POLITICS

Exclusive: NRA's former No. 2 official Joshua Powell describes 'decades of fraud, corruption' inside lobby group

 Susan Page
USA TODAY

Published 11/10/23 | Updated 11/10/23





Accountability

Transparency **TRUST** *Viability*
Respect *Fairness*
Integrity **Rule of Law**

DANIEL'S FUND ETHIC INITIATIVE PRINCIPLES

DANIEL'S FUND ETHIC INITIATIVE PRINCIPLES

Integrity

Trust

Accountability

Transparency

Fairness

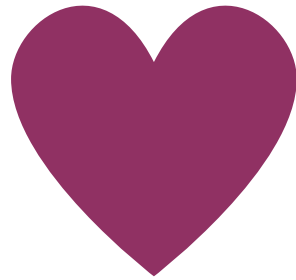
Respect

Rule of Law

Viability



SIMPLIFIED ETHICS



Treat others the way you want to
be treated



The right thing to do is also the
smart thing to do, and vice versa

INSTILLING INTERNAL VALUES

Develop your
values
statement

State them
everywhere
internally

Be transparent
publicly

More
accountability

INDIVIDUAL ACCOUNTABILITY



Being responsible for one's own actions and choices

- Accountability starts with the leader
 - Everyone makes mistakes

ORGANIZATIONAL ACCOUNTABILITY



SET APPROPRIATE GOALS
AND OUTCOMES



TAKE THE RESPONSIBILITY
FOR MEETING THEM



GO PUBLIC

ORGANIZATIONAL TRANSPARENCY

- External: letting people in the community see what's going on inside the organization
- Force transparency: Guidestar, Charity Navigator
- Increased transparency: builds trust with stakeholders
 - Most recent 990
 - Two most recent audits
 - Strategic Plan
 - Two most recent annual reports
 - List of board members with bios
 - List of management with bios



RESOLVING ETHICAL DILEMMAS IN NONPROFITS



Accountability



Conflict of
interest



Disclosures



Accumulation of
Surplus



Outside
Remuneration



Salaries, Benefits,
and Perks



Personal
Relationships

DISCUSSION QUESTIONS:



Should nonprofits be held to a higher ethical standard than the for-profit sector?



If a nonprofit executive writes a book about his/her experience while working with/for the nonprofit, should the royalties go to the author or the organization?



Research one of the nonprofit scandals that made the news recently. Tell us what the ethical issue or dilemma was, how the organization handled it, and what you think they should have done.