The Importance of Being Transparent
About the Council...

“Mobilize informed donors and accountable nonprofits for the greater good”

• Accountability Standards
• Resources for Donors
• Resources for Nonprofits
Accountability Standards

- Reasonable expectation of donors for nonprofits
  - Public Disclosure
  - Governance
  - Financial Activity
  - Fundraising
Public Disclosure

• Open and transparent communication to your constituents

• Public Disclosure Standards:
  • Open and transparent reporting of accomplishments, impact & finances
  • Financial audit (required if revenues are greater than $750,000)
  • Complying with legal requirements
Governance

• Sound practices lead to an effective board

• Governance Standards:
  
  • *Process* – Is the board engaged in assessing progress? (e.g. Monitoring Mission, Strategies, & Diversity and Inclusivity)

  • *Practices* – How is nonprofit governed? (e.g. Board meetings & term limits)

  • *Policies* – Are key policies in place that help ensure transparency and reduce risk? (e.g. Conflict of Interest & Whistle blower policies)
Financial Activity

• Prudent use of resources & financial stability

• Financial Activity Standards:
  • Efficient use of resources for program and infrastructure
    • At least 65% to program
  • Financial health based on unrestricted asset trends
  • Reserves no more than 3x annual budget
  • Resources used to advance mission
    • No loans to directors
    • Reimbursement policy
Fundraising

• Ethical fundraising practices that build trust

• Fundraising Standards:
  • Solicitations include contact info, use of gift, tax deductibility
  • Donor privacy policy available on website/upon request
  • If professional fundraisers are used or engage in cause-related marketing, information is clear to donors
Accountability Wizard

• Online assessment tool
  • Assess your nonprofit
  • Align with best practices
  • Public report for donors

• Benefits include:
  • Strengthen your organization
  • Earn “Meets Standards” seal
  • Stand out from the crowd
Resources

• How do I start the Accountability Wizard?
  • [www.smartgivers.org/for_nonprofits.html](http://www.smartgivers.org/for_nonprofits.html)

• Where can I find the Accountability Standards?
  • [www.smartgivers.org/AccountabilityStandards09.html](http://www.smartgivers.org/AccountabilityStandards09.html)

• Where can I find sample policies?
  • [www.smartgivers.org/Model_Documents.html](http://www.smartgivers.org/Model_Documents.html)
Thank You!

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