

**Alliance for Nonprofit Management
Standards Committee**

**ETHICAL STANDARDS IN NONPROFIT CAPACITY BUILDING
DRAFT FOR DISCUSSION, JUNE 28-SEPTEMBER 15, 2005**

I. Preamble

Ethical standards are central to an ongoing commitment to quality and integrity in nonprofit capacity building. Capacity building with nonprofit organizations is a growing field, with a broad range of practitioners supporting nonprofits in management and governance. In order to be effective, capacity builders need to be intentional models of the kind of ethical behaviors they aim to foster in nonprofit organizations. The Alliance for Nonprofit Management Standards Committee has developed these ethical standards in a collaborative fashion in order to promote the highest ethical standards in nonprofit capacity building.

II. Statement of Principles

Capacity Builder

- A. Capacity builders are obliged to be ethical practitioners in word and deed.
- B. Capacity builders should conduct themselves in a way that exhibits honesty, responsibility, respect, fairness, integrity, and compassion.
- C. Capacity builders should be aware of their own qualifications and limitations, and take on only those engagements for which they are qualified, with recognition that every new engagement involves learning on the part of the capacity builder and the client.
- D. Capacity builders should do no harm in their engagements with nonprofit organizations and communities.
- E. Capacity builders should explore their own values and continually seek to understand how their own values and beliefs may affect their work.
- F. Capacity builders should engage in continuous learning and development.
- G. Capacity builders should develop and improve their understanding of cultural competency and should apply that learning to all processes of capacity building in which they are engaged.
- H. Capacity builders should aim to help nonprofit organizations and communities develop and expand their capacity and should avoid fostering inappropriate dependence on the capacity builder.

Client

- I. Clients of capacity building have the right to be treated fairly, equitably and with respect at all times.
- J. Clients of capacity building have a right to a professional experience that is appropriate to their needs.
- K. Clients of capacity building have the right to be fully informed of costs, terms and conditions of an engagement in advance, and to be informed of the skills and capabilities of the capacity builder in relation to the engagement.
- L. The ultimate decision-making authority lies with the client.

III. Standards of Practice

- A. Who is the Client?** Capacity builders should define who the client is at the onset of an engagement, orally and in writing. Capacity builders should determine if the client is an individual, department, organization, multi-organization collaboration, a neighborhood/community or the mission.
1. If the entity that pays the capacity builder is different from the direct recipient of the capacity building services, the capacity builder should clarify orally and in writing how information will be shared and how decisions will be made, including how any unethical or illegal behavior will be addressed.
 2. During the engagement, it is often important to reaffirm who is the client and what communication obligations are associated with that relationship.

- B. Do No Harm:** This is a suggested set of questions to ask before and during a capacity building engagement to help reduce the likelihood of harm to the client organization.
1. Have I taken the time to fully apprise myself of the organization's situation (from multiple perspectives) before making recommendations to the client?
 2. Do I have a conflict of interest with this organization? If I do, has it been fully disclosed?
 3. Am I qualified to do the work requested by the client? If not, can I improve my knowledge/skills prior to the initiation of the engagement, develop a partnership with another capacity builder with the requisite experience/qualifications, or should I refer the organization elsewhere?
 4. Have I established who my client is for this engagement (board of directors, executive director, funder, beneficiaries, etc.)?
 5. Have I established with the client a full scope of work for the engagement so that I am fully aware of all that I will be asked to do?
 6. Have I fully disclosed my fees in advance of the engagement?
 7. Do all interested parties know my role and my policy on confidentiality for this engagement?
 8. Have I researched similar situations and seen what outcomes were pursued with what results?
 9. Have I asked for candid feedback from the client?
 10. Have I made myself available for follow up questions/assistance to the client?

Capacity builders who realize they have harmed their clients via advice, action or inaction, shall disclose it to the client (work it through if possible), and/or withdraw from the engagement.

- C. Conflict of Interest:** Capacity builders have a responsibility to be forthcoming about conflicts of interest and should fully disclose actual, potential or perceived conflicts. Capacity builders should recuse themselves from decision making in situations where they have a conflict of interest.
- D. Compensation:** Capacity builders shall disclose in writing all fees for service and significant terms or conditions to the client in advance of the service.
1. Capacity builders shall not accept duplicate payments for the same service.
 2. Capacity builders shall not pay or accept finders' fees or payments for referrals.

- E. Cultural Competency:** When engaging a new client and throughout the engagement, capacity builders should consider whether they have access to the appropriate skills, life experience, and mindset to best serve the client. Capacity builders whose cultural background is other than that of the client or community are encouraged to partner with other capacity builders who are members of the community (for example, predominantly African American, gay/lesbian, faith-based, disability, women-focused, etc.) and who are culturally competent in that community.
- F. Confidentiality:** To the extent allowed by law, capacity builders will maintain confidentiality in client relationships, including not sharing information that is gained exclusively as a result of the capacity building relationship and not sharing information about a client, including positive information, unless the client gives permission.
1. Capacity builders should negotiate and document in writing what is to be kept confidential, what is to be disclosed, and to whom, and that any illegal activity that is discovered will be reported.
 2. Capacity builders who feel the need to break confidentiality have the responsibility to inform the client, preferably in advance, about the break in confidentiality.
- F. Legal Compliance:** Capacity builders should adhere to the spirit and the letter of the law.
- G. Ethical Dilemmas:** In the case of an ethical dilemma that is difficult to resolve, capacity builders are encouraged to use a process for ethical decision-making that takes into account the interests of the client, mission, stakeholders, and the public.
- H. Conflicting Values:** Capacity builders with a significant conflict with the mission or activities of the organization should declare that conflict to the client.
- I. Unethical or Illegal Behavior on the Part of the Client:** Capacity builders encountering unethical or illegal behavior on the part of the client that is deemed serious are obliged to raise the issue with the client. If the client fails to take appropriate action where applicable, the capacity builder should raise the issue at the next highest level (staff supervisor, board chair or entire board.)
1. If the client organization fails to take action in that instance, the capacity builder should withdraw from the engagement.
 2. In some instances, the capacity builder may choose to report an incident of illegal or unethical behavior to a legal authority, regulatory body or funder. In this case, legal counsel is advised before taking action.
 3. In the instance of a third party payer, obligations to report or not report client unethical or illegal behavior to the paying entity should be clarified in writing in advance of the engagement.

IV. Definition of Terms

Capacity builder refers to a consultant or service provider to nonprofits, management support organization staff, association leader, researcher, professor, grantmaker or other professional providing advice, training, products and services to nonprofits.

Client refers to a nonprofit organization or community that has engaged with a capacity builder in a consulting or training relationship as a consumer of capacity building services; as a customer, member, or in some cases as a grantee.

Conflict of interest refers to a situation when capacity builders have competing professional or personal obligations, or personal or financial interests, that would make it difficult to make impartial judgments or fulfill their duties fairly.

Harm to the client refers to an action (or knowing inaction) on the part of the capacity builder that would, in the short term or long term, result in a reduction of the organization's ability to achieve its mission.