



# The Standards For excellence

*An Ethics & Accountability Program for the Nonprofit Sector*

## FACT SHEET

### **Background**

The Pennsylvania Association of Nonprofit Organizations (PANO), a membership association of nonprofit organizations, has taken a leadership role in adapting and implementing the **Standards for Excellence**<sup>®</sup>, a comprehensive ethics and accountability program. The **Standards for Excellence**<sup>®</sup> Program is a national program with 10 replication licensed partners ( [www.standardsforexcellenceinstitute.org](http://www.standardsforexcellenceinstitute.org)). The Program consists of eight Guiding Principles and 55 Standards, a vast amount of educational resources and trainings and a voluntary certification program. The Guiding Principles include Mission and Program, Governing Board, Conflict of Interest, Human Resources, Financial and Legal, Openness, Fundraising and Public Policy. PANO's program can be found at [www.pano.org](http://www.pano.org).

This program has a strong emphasis on educating board members in providing appropriate oversight and in providing a wide array of “best practice” sample policies and forms to allow organizations to have strong accountability practices in place.

### **Goals**

- To build the capacity of individual organizations, and eventually the nonprofit sector as a whole, by assisting them to become more accountable
- To increase the public's trust in Pennsylvania's nonprofit organizations
- To assist nonprofit organizations in acting in an ethical and accountable manner in their program operations, governance, human resources, financial management, fundraising practices and public policy advocacy
- To be of value and provide useful support to the diverse groups of charitable nonprofit organizations in Pennsylvania

### **Components**

- An ethics and accountability **CODE** that establishes specific benchmarks for ethical and accountable conduct in nonprofit leadership and management
- An array of **Educational Resources** including information packets and training curricula designed to assist nonprofits in understanding and achieving the Standards
- A **Voluntary Certification Program** for organizations that wish to demonstrate a formal commitment to the Standards
- A new review and recognition program for organizations that wish to make sure essential legal, regulatory and governing practices are in place

### **Why is there a need for the Standards for Excellence in Pennsylvania?**

Nonprofit leaders, including executives and board members, are seeking guidance and direction regarding best practices in nonprofit management.

Legal requirements for establishing and maintaining a nonprofit organization set a relatively low threshold for ethics and accountability. The public has few objective criteria against which to assess the organizations it supports.

Organizations that take advantage of nonprofit status and operate in ways that are inappropriate create public scandals. These scandals threaten the reputation of the entire nonprofit sector.

Existing sets of standards, while useful, have limitations. Many do not address the full spectrum of ethics and accountability issues. Industry-specific standards apply to relatively small subsets of nonprofit organizations and include programmatic components that lack relevance across the entire sector.

To assume their rightful place in society, it is time for nonprofit organizations as a community to make an affirmative and forward-looking statement about collective values and aspirations and publicly embrace standards of conduct that go beyond the legal minimum.



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## ***How were the Standards developed?***

A work group of 50 nonprofit executives, board leaders and consultants from among the ranks of the Maryland Association of Nonprofit Organization members developed the ***Standards for Excellence® Program***. PANO is part of the national replication program made possible by a grant from The Carnegie Corporation of New York. After entering into a licensing agreement with Maryland, PANO's Board of Directors appointed a Standards Committee to provide input and guidance on implementing the Standards in addition to hiring additional staff resources.

## ***Will the Standards be used to evaluate all nonprofit organizations?***

**No.** This is a voluntary certification program. PANO does not have a mandate to measure all nonprofits against the Standards. This is a choice that individual nonprofit organizations make for self-improvement.

## ***Can a nonprofit utilize the program resources without going through the entire program?***

**Yes.** The purpose and mission of this program are to increase the effectiveness of operations of nonprofits in whatever way possible. Training seminars and educational packets are available to all.

## ***What does the program include?***

- **Introductory Workshops:** PANO offers a three-hour Introductory Workshop to explain the *Standards for Excellence® Program*, its components, processes, costs, benefits and procedures. Organizations are able to assess standards that are met and those that need improvement. Educational Resources are made available.
- **Standards Training:** Trainings range from three-hour programs to full day to a Guiding Principles webinar series. Trainings cover overall implementation of the Standards and specific content of one of the eight areas. We offer trainings in various parts of PA to groups and as One-on-One presentations to individual organizations. Training materials include sample policies, legal information, best practices and more.
- **Certification:** Organizations choosing certification must attend either the clinic sessions or a One-on-One training session on the contents and components of certification. Organizations must register for certification, complete a Self-Study Application (learning) process and undergo an intensive three-phase review.
- **How long does the certification process take?** How long the process takes varies from one nonprofit to another. The process can take up to a year or more. Ongoing support is provided to assure nonprofit organizations can implement the Standards at a pace that does not interrupt their delivery of primary services.

## ***What are the fees?***

- **Training Fees:** These vary based on length or program. The normal PANO rate generally applies: \$62/\$112 member/nonmember rate for half day trainings; and \$104/188 member/nonmember for full day trainings. One-on-one trainings are generally provided at \$500/\$900 member/nonmember for a half day; and \$750/\$1,250 member/nonmember for full day trainings.
- **Certification Fees:** These are set on a sliding scale based on annual revenue. See [www.pano.org](http://www.pano.org), click on Standards for Excellence and scroll to forms for fee information. Organizations must register (\$200 fee) for Certification to receive materials and certification management tools. The registration fee is deducted from the total application fee due when the Self-Study Application is submitted. PANO is committed to working with foundations to support nonprofit organizations that have a desire to build capacity and yet lack the resources. Time commitment of the organization is the more significant cost.

## ***What are the benefits?***

- Based on the experience of nonprofit organizations, nonprofits report that the Standards Program provides:
  - Assurance that a nonprofit organization is operating in a highly ethical and accountable manner
  - Opportunities for capacity building and strengthening of infrastructure through training and development
  - Increased credibility with funders
  - Increased self-confidence within the organization due to clarifications of policies and procedures
  - More knowledgeable and effective governing board

Learn more about the benefits of the Standards in the ***Standards for Excellence Impact Evaluation Study Report:***

<http://www.pano.org/resources/SFX-Impact-EvalReport.pdf>

For more information on the **Standards for Excellence** Program call Tish Mogan at 717-236-8584 or email at [tish@pano.org](mailto:tish@pano.org).

PANO's Mission: PANO leads Pennsylvania's Community Benefit Sector to achieve its fullest potential.

PANO's Vision: We envision a vibrant, thriving community where people realize their highest aspirations.