

# **STATEMENT OF VALUES, CODE OF ETHICS AND CONFLICT OF INTEREST POLICY**

## **Introduction**

From the inception of Starlight the organization (the “Foundation”) has always strived to adhere to the highest legal and ethical standards. Collectively we have done so both because it is “the right thing to do” and because we recognize that public trust and confidence in our organization is the sine qua non of our continued existence and successes as a charitable organization.

Donors and volunteers have a right to expect that the charities they support will carry out their missions, be good stewards of their resources and uphold rigorous standards of conduct. Nonprofit organizations like ours must earn this trust everyday and in every possible way. It is not enough merely to obey the law. We must embrace the spirit of the law, often going beyond that which the public expects from us. Transparency, openness and responsiveness to public concerns are the bedrocks of our legitimacy and must continue to be integral to our behavior.

As a result of our merger and a subsequent review of our standard operating procedures, we have determined that a new requirement should be put into place whereby employees, board members and other volunteers sign a “Conflict of Interest and Ethics Statement” at the time they initially become involved with the Foundation, and at least annually thereafter. By doing so, such individuals acknowledge their personal obligations to maintain the highest standards of ethical conduct and agree, among other things, not to commit acts contrary to those standards or to condone the commission of such acts by others within the Foundation.

As an additional means of protecting our good name and enhancing the foundation’s credibility and positive image in the eyes of the constituencies it serves, the board of director of Starlight Children’s Foundation has adopted the following “Statement of Values, Code of Ethics and Conflict of Interest Policy” which reflects the core values and principles that guide the Foundation.

## **Statement of Values**

The code of Ethics adopted by the Starlight Children’s Foundation is built on a foundation of commonly shared values that guide all of the organization’s activities, including the following:

- Commitment to the public good;
- Accountability to the public;
- Commitment beyond the law;
- Respect for the worth and dignity of individuals;
- Inclusiveness and social justice;

- Respect for pluralism and diversity;
- Transparency, integrity, and honesty;
- Responsible stewardship of resources; and,
- Commitment to excellence and to maintaining the public trust.

## **Code of Ethics**

### **I. Personal and Professional Integrity**

All Starlight employees, board members and volunteers act with honesty, integrity and openness in all of their things, to sign and “Annual Conflict of Interest and Ethics Assurance Statement” upon their date of hire, election or commencement of volunteer service, and at least annually thereafter.

### **II. Mission**

The Starlight Children’s Foundation has a clearly stated charitable mission that has been approved by its board of directors: Transforming the lives of seriously ill children and their families through imaginative programs that educate, uplift their spirits, foster a sense of community and help alleviate the pain and fear of prolonged illness.

All of the Foundation’s programs support that mission and all who work for or on behalf of, the Foundation understands and are loyal to that mission. The mission is responsive to the constituencies and communities the foundation serves and is of value to society at large.

### **III. Governance**

The Starlight Children’s Foundation has an active board of directors that is responsible for setting the mission and strategic direction of the organization and for oversight of the organization’s finances, operations and policies.

The board:

- Ensures that its board members have the requisite skills and experience to carry out their duties and that they understand and fulfill their governance duties acting for the benefit of the Foundation and its public purpose.
- Has a conflict of interest policy (which is set forth at the end of this document) that ensures that any conflicts of interest or the appearance thereof are avoided or appropriately managed through disclosure, recusal or other means.
- Is responsible for the hiring, disciplining and regular review of the performance of the Executive Director (“ED”), and ensures the ED’s compensation is reasonable and appropriate.

- Implements policies requiring the Foundation to be inclusive and not unlawfully discriminate in its hiring and promotion policies and practices for all board, staff and volunteer positions.
- Ensures that the ED and appropriate staff provide the board with timely and comprehensive information so that the board can effectively carry out its duties.
- Ensures that the Foundation conducts all transactions and dealings with integrity and honesty.
- Ensures that the Foundation promotes working relationships with board members, staff volunteers and program beneficiaries that are based on mutual respect, fairness and openness.
- Ensures that the Foundation's policies are in writing, clearly articulated and officially adopted.
- Ensures that the resources of the Foundation are responsibly and prudently managed.
- Ensures that the Foundation has the capacity to carry out its programs effectively.

#### **IV. Legal Compliance**

The Starlight Children's Foundation is knowledgeable about, and complies with, all applicable laws, rules and regulations.

#### **V. Responsible Stewardship**

The Starlight Children's Foundation manages its funds in a responsible and prudent manner. For example, the Foundation:

- Spends an appropriate percentage of its annual budget on programs in pursuance of its mission.
- Spends an adequate amount on administrative expenses it ensures effective accounting systems, internal controls and other expenditures critical to professional management.
- Compensates staff, and any others who may receive compensation, reasonably and appropriately.
- Has reasonable fundraising costs (recognizing the variety of factors that affect fundraising costs).
- Does not accumulate operating funds excessively.
- Only draws from endowment funds, consistent with donor intent and to support the charitable purpose of the organization.
- Ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill the mission of the organizations.
- Ensures that all financial reports are factually accurate and complete in all material respects.

## **VI. Openness and Disclosure**

The Starlight Children's Foundation provides comprehensive and timely information to the public, the media and all stakeholders and responds in a timely manner to reasonable requests for information. All information about the Foundation fully and honestly reflects its policies and practices. Basic informational data about the Foundation, such as the Form 990, reviews and compilations, and audited financial statements, are posted on the Foundation's Web site and/or are otherwise available to the public. All solicitation materials accurately represent the Foundation's policies and practices and reflect the dignity of program beneficiaries. All financial, organization and program reports are complete and accurate in all material respects.

## **VII. Program Evaluation**

The Starlight Children's Foundation regularly reviews program effectiveness and has mechanisms to incorporate lessons learned into future programs. The Foundation is committed to improving program and organizational effectiveness and develops mechanisms to promote learning from its activities and the field. The Foundation is responsive to changes in its field of activity and is responsive to the needs of its constituencies.

## **VIII. Inclusiveness and Diversity**

The Starlight Children's Foundation has a policy promoting inclusiveness and its staff, board and volunteers reflect diversity in order to enrich its programmatic effectiveness. The organization takes meaningful steps to promote inclusiveness in its hiring, retention, promotion, board recruitment and constituencies served.

## **IX. Fundraising**

When raising funds from the public or from donor institutions, the Starlight Children's Foundation is truthful in its solicitation materials. The Foundation respects the privacy concerns of individual donors and expends funds consistent with donor intent. The Foundation discloses important and relevant information to potential donors, and respects the rights of donors:

- To be informed of the mission of the organization, the way the resources will be used and their capacity to use donations effectively for their intended purposes.
- To be informed of the identity of those serving on the organization's governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- To have access to the organization's most recent financial reports.

- To be assured their gifts will be used for the stated purpose for which they are given.
- To receive appropriate acknowledgement and recognition.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by the law.
- To expect that all relationships with individuals representing the organization will be professional in nature.
- To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- To have the opportunity for their names to be deleted from the mailing lists that the organization may intend to share.
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

### **Conflict of Interest Policy**

This policy is designed to protect the integrity of, and promote continued public trust and confidence in, the Starlight Children's Foundation by ensuring that any actual, potential and/or perceived conflicts of interest, whether direct or indirect (collectively, "Conflict of Interest"), are either avoided or are appropriately managed through prompt and full disclosure, recusal and/or other means.

The term Conflict of Interest refers to a situation where a Foundation employee, board member or other volunteer ("Starlight Representative") has a personal, professional or business interest that conflicts with, or may give the appearance of conflicting with, the best interest of the Foundation. Conflicts of Interest are not uncommon in nonprofit organizations and are not necessarily inappropriate. For example, and "acceptable" Conflict of Interest may arise if a Starlight Representative (or his/her relative, friend, business acquaintance, etc.) has an interest in, or relationship with, an entity that purposes to provide needed goods or services to the Foundation on terms and conditions that are more advantageous than the Foundation could possibly obtain otherwise.

All Starlight Representatives are required to disclose to the Foundation promptly and fully, and Conflict of Interest situations in which they are involved. Such individuals may not thereafter attempt to influence the Foundation's decision, nor may they vote on whether to approve to disapprove the particular transaction. The individual's disclosure and abstention from voting shall be reflected in the minutes of the meeting at which the decision is made.

Under no circumstances shall any Starlight representative: (a) accept any personal gifts, loans, favors or other consideration of more than nominal value (i.e., \$75) from any vendor, sponsor or other outside party doing

business with, or seeking to do business with, The foundation; or (b) use Foundation property of resource for personal profit or advantage, or for any purpose not related to the activities of the Foundation.