

# Statement of Ethical Guidelines and Practices



**Jewish Federation**  
of Greater Philadelphia

*Shelo t-hei echad bapeh v'echad balev.*

**“One shouldn't act one way with the mouth and another with the heart” but rather, one should avoid conflicts both in one's verbal protestations and in one's actions.**

– based upon the Talmud, Pesachim 113b



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## **ETHICAL GUIDELINES AND PRACTICES**

### **Introduction**

These Ethical Guidelines and Practices (“Guidelines”) seek to ensure that Jewish Federation’s resources and funds are used to directly advance the mission of Jewish Federation of Greater Philadelphia (Jewish Federation).

They are intended to clarify the conduct and principles that must be followed in resolving ethical and legal questions that may arise with respect to business transactions or charitable allocations.

These Guidelines supplement, but do not replace, any applicable laws governing conflicts of interest in nonprofit and charitable corporations.

The violation of these Guidelines are a serious matter and may constitute "cause" for terminating a contractual relationship that the Jewish Federation may have with a vendor or agency and for removal or termination of Trustee, Director, Officer, staff member or volunteer. Jewish Federation staff members should also refer to Jewish Federation’s Employees Guide for additional policies and procedures which may affect them.

The Ethics and Governance Committees, as stated in Jewish Federation’s Bylaws, shall administer and monitor compliance with these Guidelines.

### **Policy Statement**

The Jewish Federation of Greater Philadelphia is committed to practicing the highest standards of lawful and ethical conduct. Jewish Federation, as a well-respected public charity, understands that the continued confidence and trust of its donors, volunteers and other supporters depend upon maintaining these high standards of ethical and lawful conduct.

It is Jewish Federation’s position and policy that its Trustees, Officers, Directors, staff members and volunteers may not use their positions with Jewish Federation, or confidential information obtained by them relating to Jewish Federation, in order to achieve a benefit (financial or otherwise) for themselves or any other party, including another nonprofit or charitable organization.

It is Jewish Federation’s goal to manage conflicting interests appropriately and to make decisions based upon full knowledge of any conflicts. All deliberations and decisions should be made in Jewish Federation’s best interests consistent with Jewish Federation’s charitable purposes. Jewish Federation’s Trustees, Officers, Directors, staff and volunteers must conduct themselves in a manner that ensures that there is no apparent or actual conflict between their purposes and the purposes of Jewish Federation.

### **Duty of Loyalty**

Jewish Federation’s leadership, volunteers and staff have a duty of loyalty to act in good faith to not seek to derive personal private gain from business transactions that involve Jewish Federation and to not advance their own interests, either publicly or privately, at the expense of Jewish Federation.

Any act of self-dealing is a breach of fiduciary duty. Individuals who take advantage of opportunities to the detriment of Jewish Federation may be held liable for the benefits they receive at Jewish Federation’s expense.

### **Duty to Abstain**

To avoid the appearance of impropriety, individuals having a potential Conflict of Interest with Jewish Federation must disclose it (see “Duty to Disclose”) and must also abstain from voting on any actions to be taken by Jewish Federation with respect to that individual’s Financial Interest or that individual’s Personal Interest caused by that individual being a volunteer officer of an organization engaged or proposed to be engaged in the transaction to which Jewish Federation’s action relates.

In addition, any individual who is an employee (including the chief “professional officer”) or the chief “volunteer officer” of any organization engaged or proposed to be engaged in any transaction or other matter with Jewish

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Federation must absent him or herself and not participate in any discussions within Jewish Federation with respect to this subject.

The minutes of any meeting of a Jewish Federation body on which an individual sits who has disclosed to Jewish Federation the existence of a potential Conflict of Interest shall state that such disclosure has been made, that such individual **was not present during any discussion of the matter** as to which he or she may have a conflict of interest, and that he or she did not vote on such matter.

The Chief Volunteer Officer and the Chief Professional Officer of an organization receiving funds (\$5,000 and above) from Jewish Federation may not serve on Jewish Federation's Policy, Strategy and Funding Committee or any of its sub-committees.

Staff members of an organization receiving funds (\$5,000 and above) from Jewish Federation may not serve on Policy, Strategy and Funding Committee or any of its sub-committees.

Effective June 2009, an officer of an organization may not be present when their organization is being discussed or reviewed. The officer may also not be present during a decision or vote regarding a specific grant or program request for their organization. Officers may be present when their organization is included as part of a general and broader grant or allocation process. Officers may also be present, along with the organization's staff members, during any presentation by the organization.

Effective immediately, any Board member of an organization receiving funds from Jewish Federation must disclose their affiliation during any discussion or vote relating to the organization.

### **Confidentiality**

Information is an important and valuable Jewish Federation asset. This includes donor lists, financial data, research data, computer software and other proprietary information. Trustees, Directors, Officers, staff and volunteers should not disclose or use any confidential information involving Jewish Federation for personal benefit or for purposes unrelated to Jewish Federation. The security and integrity of confidential information are to be diligently protected.

### **Duty to Disclose**

To maintain the integrity of Jewish Federation and avoid the appearance of impropriety, any individual who is a Key or Interested Person in Jewish Federation (including Officers, Directors, Trustees, and Employees) must disclose any potential Conflict of Interest when it arises.

This includes matters between Jewish Federation, Constituent Agencies, Businesses, Family Members and Related Entities, whenever Financial or Personal Interests of the Key or Interested Person are involved.

Key or Interested Persons must disclose business relationships with other Key or Interested Persons (other than attorney/client relationships, medical professional/patient relationships, and religious leader/congregant relationships) if any of the following are true:

1. One person is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, director, officer, key employee or greater-than-35% owner.
2. One person is transacting business with the other (other than in the ordinary course of either party's business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, or cash or property valued in excess of \$10,000 in the aggregate during the organizations tax year.
3. The two persons are each a director, trustee, officer, or greater than 10% owner in the same business or investment entity.

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Key, interested, or related persons in Jewish Federation (a member of any Jewish Federation grant selection committee, a family member of Jewish Federation's current or former officers, directors, trustees or key employees) must disclose each grant or other assistance (including provisions of goods, services or use of facilities) regardless of amount, provided by Jewish Federation to any interested person.

In order to emphasize the importance of individuals being open and honest about their potential Conflict of Interest with respect to any transaction, business relationship or other matter in which Jewish Federation is involved, the Ethics Committee shall annually require a signed statement from each Director, Trustee, Officer and staff member stating that:

- They have received a copy of the Statement of Guidelines establishing Jewish Federation's Conflict of Interest Policy;
- They have read and understand the Policy; and
- They agree to comply with the Policy.

The Ethics Committee may also request that each Director, Trustee, Officer, staff member, volunteer or other person involved with a specific transaction submit a statement setting forth all business and other affiliations which relate in any way to the business and activities of Jewish Federation.

### **Awarding of Contracts / Purchase of Goods and Services**

It is Jewish Federation's policy to select vendors fairly based upon merit. Jewish Federation policy absolutely prohibits the awarding of contracts or the purchasing of goods and services from any vendor based on the fact that the vendor is a donor or prospective donor to Jewish Federation. It is important that this policy be strictly adhered to, especially when vendors are selected without competitive bidding, so as to avoid any appearance of favoritism or impropriety.

It is Jewish Federation's preference to select as its auditor independent, public accounting firms which do not have any direct affiliation with Jewish Federation or its Directors, Officers, and Trustees. It is understood that accountants and accounting firms may also be donors to Jewish Federation. However, under no circumstances may Jewish Federation's Directors, Officers, or Trustees directly participate in the auditing of Jewish Federation.

Jewish Federation does not expect its Directors, Officers, or Trustees to perform pro bono work as a condition of their position or relationship to Jewish Federation. However, any reduction in the cost of their professional services for any reason, including their relationship with Jewish Federation, is an appropriate factor to consider when awarding a contract.

Directors, Officers, Trustees, staff members and other key individuals who are in a position to make or influence purchase decisions by Jewish Federation may not accept gifts from a vendor.

A copy of Jewish Federation's bidding process is available upon request.

### **Lobbying and Political Activity**

Jewish Federation, as a public charity, must abide by certain rules which preclude supporting or opposing any political candidate for office. Failure to comply with this requirement may result in violation of federal tax and election laws. It may also cause the imposition of an excise tax on Jewish Federation, its Trustees, Directors, or other key personnel leading to the revocation of Jewish Federation's tax exempt status.

The President & CEO and Board Chair of Jewish Federation must refrain from engaging in partisan political activity during their term of office. Other key individuals, including Trustees, Directors, Jewish Federation staff, and members of Jewish Federation's Government Relations Committee must carefully segregate their individual political activities from their affiliation with Jewish Federation, and must not identify themselves as representatives of Jewish Federation in any political endorsement or advertisement. Key individuals must not lend their name as representative of Jewish Federation, nor list Jewish Federation as their affiliation, in political endorsements or advertisements.

**Procedures for Determining Violations of Ethical Guidelines and Practices**

A three-person (mandated) Ethical Guidelines and Practices Committee which may include two additional appointees (the "Committee") shall be appointed by the Jewish Federation Board Chair and shall be responsible for conducting a review of any alleged conflicts of interest or violation of these Guidelines. This review may be requested by anyone, including sources unaffiliated with Jewish Federation. The request may be made directly to the Committee or may be brought to the attention of any Jewish Federation staff member. Jewish Federation staff members are required to refer all matters regarding violations of these Guidelines or conflicts of interest to the Committee.

If the Committee determines that a conflict exists or a transaction violates these guidelines, it may recommend to the Board appropriate disciplinary or corrective action as it determines is in the best interests of Jewish Federation.

The Committee shall also investigate any matter in which it has reasonable cause to believe that an individual or vendor has failed to disclose an actual or possible conflict of interest or is in violation of these Guidelines. In such case, the Committee shall inform the person(s) or vendor(s) in writing of the basis for such belief and afford the person(s) or vendor(s) an opportunity to explain the alleged conflict and failure to disclose or other prohibited practice.

If the Committee determines that a Director, Officer, Trustee, staff member or others have failed to disclose an actual or possible conflict of interest, it may recommend to the Board of Directors appropriate disciplinary or corrective action as it determines is in the best interest of Jewish Federation.

**Definitions**

Conflict of Interest. A "conflict of interest" exists whenever a person participates in making a recommendation or decision regarding an action to be taken by Jewish Federation either (a) with respect to another organization in which that person or a Family Member of that person has a Financial or Personal Interest or (b) that would otherwise result in financial benefit to that person or a Family Member of the person.

Examples of situations that could give rise to a conflict of interest with respect to such a person include:

- Any transaction between Jewish Federation and another party in which a Jewish Federation Trustee, Director, Officer, staff member or volunteer has a Financial or Personal Interest, holds a position as an officer, director, shareholder, owner, partner, member or employee or is a Family Member of a person having such an interest or holding such a position in such party with which the Jewish Federation is or will be engaged in any business or other transaction;
- A Jewish Federation Trustee, Director, Officer, staff member or volunteer, or a Family Member of any of them, serving as a director, member or employee of a business or agency with which Jewish Federation is or will be doing business; and
- A Jewish Federation Trustee, Director, Officer, staff member or volunteer, or a Family Member of any of them, having a Financial or Personal Interest in a business or agency with which the Jewish Federation is or will be doing business.

Compensation. "Compensation" includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Family Member. An individual's "family member" includes his or her spouse; his or her siblings and their spouses; his or her direct ancestors; and his or her descendants and their spouses.

Financial Interest. A person has a "financial interest" if the person has, directly or indirectly, through business, investment or family any transaction, activity, contract, commitment or other financial undertaking:

- (a) An existing or potential ownership or investment interest in any entity with which Jewish Federation has a transaction, contract, or other arrangement;
- (b) A compensation arrangement with Jewish Federation or with any entity or individual with which the Jewish Federation has a transaction, contract, or other arrangement;

## **ETHICAL GUIDELINES AND PRACTICES**

- (c) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Jewish Federation is negotiating a transaction, contract, or other arrangement;
- (d) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been, or will be, directly affected by a decision or action of the Jewish Federation.

Personal Interest. A person has a “personal interest” in an organization if the person has a relationship with the organization (other than a financial interest) that is likely to cause the person to give preferential treatment or consideration to the organization. Examples include uncompensated officers or directors of the organization or substantial contributors to the organization.

Key or Interested Person shall mean any one or more of the following:

- (a) Any Director, Trustee or Officer of Jewish Federation who has a material financial or personal interest, as defined above, or who serves as a Director, Trustee or Officer of, any entity with which Jewish Federation has a transaction, contract, or other arrangement;
- (b) Any person currently being compensated by the Jewish Federation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise;
- (c) Any person whose Family Member, as defined above, is currently being compensated by Jewish Federation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise;
- (d) Any person who is in a position to influence, provide information about, or vote on, Jewish Federation’s policy with respect to, or otherwise affect a decision of Jewish Federation, regarding a Financial or Personal Interest, as defined above.
- (e) A Jewish Federation grant selection committee or a family member of Jewish Federation’s current or former officers, directors, trustees or key employees.

Related Entity. “Related Entity” means any for profit or nonprofit corporation, association, partnership, sole proprietorship, firm or other business entity (including, but not limited to, Constituent Agencies and Beneficiary Agencies of Jewish Federation) in which a Key Individual and/or Family Member is an Officer, director, trustee, or employee with significant administrative responsibilities or has a financial interest or (if the entity is a publicly traded company) an ownership interest of at least 5% as a shareholder, partner, owner or otherwise.





**JEWISH FEDERATION OF GREATER PHILADELPHIA**

**Summary of Certain Provisions  
Statement of Ethical Guidelines and Practices**

<b>Position in Other Organization</b>	<b>Disclose Affiliation</b>	<b>Participation in PSF or its Subcommittees</b>	<b>Participation in CSR or CJLL or their Subcommittees</b>	<b>Present and Participate in Relevant Discussions</b>	<b>Vote on Relevant Issues</b>
<b>Chief Professional Officer or Family Member of CPO <sup>(1)</sup></b>	YES	NO	NO	NO <sup>(2)</sup>	NO
<b>Other Employee or Family Member of Employee</b>	YES	NO	NO	NO <sup>(2)</sup>	NO
<b>Chief Volunteer Officer</b>	YES	NO	NO	NO <sup>(2)</sup>	NO
<b>Other Volunteer Officers <sup>(3)</sup></b>	YES	YES	YES	NO <sup>(2)</sup>	NO
<b>Trustees, Directors or Family Members of any Officer, Trustee or Director</b>	YES	YES	YES	YES	YES <sup>(4)</sup>
<b>Substantial Contributor</b>	YES	YES	YES	YES	YES <sup>(4)</sup>
<b>Other Volunteer Capacity</b>	NO	YES	YES	YES	YES <sup>(4)</sup>

(1) The restrictions for the Chief Professional and Chief Volunteer Officer apply to organizations receiving \$5,000 or more from the Jewish Federation.

(2) Officers and staff members may be present during all presentations by the organization.

(3) Other volunteer officers may be present when their organization is included as part of a general and broader grant or allocation process.

(4) Unless they have a Financial Interest.



**CONFLICT OF INTEREST STATEMENT**

I, \_\_\_\_\_ understand that neither I nor a related third party or  
[PRINT NAME]  
individual can derive any personal profit or financial gain by reason of my participation with Jewish Federation.

I, therefore, **agree to disclose to Jewish Federation any Personal, Business or Financial Interest** that I, a Family Member, or Key Individual may have with respect to transactions, business decisions or other matters pending before Jewish Federation, including matters with Constituent Agencies or Related Entities.

I further agree that I will limit my participation in Jewish Federation’s decision-making processes should any potential Conflict of Interest arise, as required by the Statement of Ethical Guidelines and Practices establishing Jewish Federation’s Conflict of Interest policy.

I acknowledge the following:

- (a) I have received, read, and signed a copy of the Statement of Ethical Guidelines and Practices establishing Jewish Federation’s Conflict of Interest Policy;
- (b) I understand and agree to comply with Jewish Federation’s Statement of Ethical Guidelines and Practices; and
- (c) I currently hold the following positions in Jewish Federation (including those of an officer, director, trustee or other volunteer position) with terms expiring as indicated:

<b><u>Position Held</u></b>	<b><u>Term Expiration</u></b>
_____	_____
_____	_____
_____	_____

- (d) I currently hold the following positions in any grantee organization and other organizations with which Jewish Federation currently does business or engages in any other transaction or matter (including those of an officer, director, trustee, substantial contributor or employee) with terms expiring as indicated:

<b><u>Position Held</u></b>	<b><u>Term Expiration</u></b>
_____	_____
_____	_____
_____	_____

- (e) The following Family Members, as defined on page 8 of this policy, currently hold the indicated positions in any grantee organization and other organizations with which Jewish Federation currently does business or engages in any other transaction or matter (including those of an officer, director, trustee, substantial contributor or employee):

<b><u>Name of Family Member</u></b>	<b><u>Relationship</u></b>	<b><u>Position Held</u></b>
_____	_____	_____
_____	_____	_____
_____	_____	_____



(f) I have business relationships that meet the definition listed in this policy with other Key or Interested Persons.

<u>Name</u>	<u>Nature of Relationship</u>
_____	_____
_____	_____
_____	_____

(g) I am aware that the following interested person(s) received a grant or other assistance including the provision of goods, services or use of facilities from Jewish Federation in the previous fiscal year (September 1<sup>st</sup> - August 31<sup>st</sup>). Please include the name and type of grant given.

<u>Name</u>	<u>Relationship</u>	<u>Type of Grant</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

(h) Do you agree to keep your individual political activities carefully segregated from your affiliation with Jewish Federation, and not identify yourself as a representative of Jewish Federation in any political endorsement or advertisement? Please answer "Yes" or "No".

\_\_\_\_\_

\_\_\_\_\_

(i) *For Jewish Federation Employees Only:* I currently hold the following paid or unpaid positions and/or receive compensation for the following work performed outside of Jewish Federation (including any businesses owned):

\_\_\_\_\_

\_\_\_\_\_

Any exceptions to the above statements are attached with a full description of the transactions and of the interest, whether direct or indirect, which I or a related party have (or have had during the past year) in the persons or organizations having transactions with the Jewish Federation.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



**Jewish Federation**  
of Greater Philadelphia

The Jewish Federation of Greater Philadelphia mobilizes financial and volunteer resources to address the communities' most critical priorities locally, in Israel and around the world.

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