



STATEMENT OF VALUES AND CODE OF ETHICS – 2005

Values

The Lucile Packard Foundation *for Children's Health's* Code of Ethics is built on a base of values that are widely shared in the independent sector*. For our Foundation, chartered as a public charity, these include:

- Commitment to the public good;
- Accountability to the public;
- Commitment beyond the law;
- Respect for the worth and dignity of individuals;
- Respect for pluralism, diversity, inclusiveness, and social justice;
- Transparency, integrity and honesty;
- Responsible stewardship of donors' and the Foundation's resources; and,
- Commitment to excellence and to maintaining the public trust.

These values lead directly to the Foundation's Code of Ethics that follows.

Code of Ethics

I. Personal and Professional Integrity

All staff, board members and volunteers of the Lucile Packard Foundation *for Children's Health* act with honesty, integrity and openness in all their dealings as representatives of the Foundation. The Foundation promotes a working environment that values respect, fairness and integrity. The Foundation expects no less of the many nonprofit organizations it supports through philanthropy.

II. Mission

The Foundation has a clearly stated mission and purpose, approved by the board of directors, supported by staff, and pursued in the public's best interests:

To fund efforts that promote, protect, and sustain the physical, mental, emotional and behavioral health of children.

All of its programs support that mission, and all who work for or on behalf of the Foundation understand and are loyal to that mission and purpose. The mission is responsive to the

constituencies and communities served by the Foundation, and committed to be of value to the community at large.

III. Governance

The Foundation has an active governing body, the Board of Directors, which is responsible for setting the organization's mission and strategic direction, and for overseeing its finances, operations, and policies. The Board of Directors:

- Ensures that its members have the requisite skills and experience to carry out their duties, and that all members understand and fulfill their governance duties acting for the benefit of the Foundation and its public purpose;
- Has a conflict of interest policy for board members and the Foundation's staff 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, firing, and regular review of the performance of its chief executive officer, and ensures that the compensation of the chief executive officer, the chief financial officer, and other senior management positions as the Board deems appropriate are reasonable and appropriate;
- Ensures that the CEO 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 beneficiaries that are based on mutual respect, fairness and openness;
- Ensures that the Foundation is fair and inclusive in its hiring and promotion policies and practices for all board, staff and volunteer positions;
- Ensures that policies of the Foundation are in writing, clearly articulated and officially adopted;
- Is responsible for engaging independent auditors to perform an annual audit of the Foundation's financial statements, and has an Audit Committee that is responsible for overseeing the reliability of financial reporting, including the effectiveness of internal control over financial reporting, reviewing and discussing the annual audited financial statements to determine whether they are complete and consistent with operational and other information known to the committee members, understanding significant risks and exposures and management's response to minimize the risks, and understanding the audit scope and approving audit and non-audit services;
- Ensures that the resources of the Foundation are responsibly and prudently managed; and,
- Ensures that the Foundation has the capacity to carry out its programs effectively and sustain them financially.

IV. Legal Compliance

The Foundation engages independent counsel on a regular basis to ensure that it is knowledgeable of, and complies with, all laws, regulations and applicable international conventions.

V. Responsible Stewardship

The Foundation manages its own funds, and those of its donors, responsibly and prudently. To this end, it:

- Spends a reasonable percentage of its annual budget on programs in pursuance of its mission;
- Spends an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, competent staff, and other expenditures critical to professional management;
- Compensates staff, and any others who may receive compensation, reasonably and appropriately;
- Incurs reasonable fundraising costs, recognizing the variety of factors that affect those costs;
- Does not accumulate operating funds excessively;
- Draws prudently from endowment funds consistent with donor intent and to support its public purpose;
- Ensures that all spending practices and policies are fair, reasonable and appropriate to fulfill its mission; and,
- Ensures that all the Foundation's financial reports are factually accurate and complete in all material respects.

VI. Openness and Disclosure

The Foundation is committed to providing comprehensive and timely information to the public, the media, and all constituents, and to being responsive 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, including its Form 990, reviews and compilations, audited financial statements, and its Audit Committee charter will be available on the Foundation's website, or otherwise available to the public. All of the Foundation's solicitation materials accurately represent its policies and practices and reflect the dignity of beneficiaries. All financial, organizational, and program reports are complete and accurate in all material respects.

VII. Program Evaluation

The 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 areas of activity and is responsive to the needs of its constituencies.

VIII. Equality of Opportunity

The Foundation respects inclusiveness, and has a policy of equality of opportunity for its staff, board and volunteers. It provides its staff, board and volunteers with opportunities to capitalize on their abilities. The Foundation bases decisions on hiring, retention, promotion, board recruitment, and constituencies served so as to further the principles of equality of opportunity.

IX. Fundraising

The Foundation respects the privacy concerns of individual donors, and directs and stewards funds consistent with donor intent. It discloses all important and relevant information to potential donors. The Foundation further respects the rights of donors:

- To be informed of the Foundation's mission, the way donors' resources will be used, and the Foundation's capacity to ensure that donors' contributions will be expended only for the purposes they were given;
- To be informed of the identity of members of the Foundation's board of directors, and to expect the board to exercise prudent judgment in its stewardship responsibilities;
- To have access to the Foundation's most recent financial reports;
- 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 the Foundation's representatives will be professional in nature;
- To be informed whether the Foundation's fundraising representatives are volunteers, employees of the Foundation, or hired solicitors;
- To have their names deleted from mailing lists that the Foundation may have reason to share; and,
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

X. Grantmaker Guidelines

The Foundation has particular responsibilities in carrying out the grantmaking aspect of its mission. These include:

- Having constructive relations with grantseekers, based on mutual respect and shared goals;
- Clear and timely communications with potential grantees;
- Fair and respectful treatment of grantseekers and grantees alike;
- Respect for the expertise of grantseekers in their fields of knowledge;
- Seeking to understand and respect the organizational capacity and needs of grantseekers; and,
- Respecting the integrity of the mission of grantseeking organizations.

*The Lucile Packard Foundation *for Children's Health's* Statement of Values and Code of Ethics is drawn almost in its entirety from the model Statement of Values and Code of Ethics for Nonprofit and Philanthropic Organizations developed by the Independent Sector (IS). This is based on the Foundation's regard for that organization's highest standards, singular efforts, and engagement of expertise in developing the model, which aligns directly with the Foundation's own mission, principles, and practices. For more information on the model, contact the Independent Sector at www.IndependentSector.org.