There are many established standards or *Principles of Best Practice* relative to nonprofit organizations’ accountability, ethical practices, governance, finance, programming and public disclosure. After a review of many of the different versions of nonprofit standards or principles of best practice, the Dyson Foundation has selected 13 best practices that we believe serve as core principles.

**Governance**

1. The organization's bylaws set forth term limits for the service of the board members and officers.

2. The nonprofit strives to have a governing board that reflects the diversity of the communities served by the organization.

3. The board has no less than five (5) unrelated directors. Seven (7) or more directors are preferable.

4. The board has a minimum of two officers, president/chairperson and treasurer.

5. Board members receive no compensation for board service other than reimbursement of expenses incurred as a result of board participation.

6. The organization has a written policy that addresses director, officer, and key staff conflicts of interest. This policy prohibits the interested party from approving or voting on a conflicted transaction and requires full disclosure of all material facts to the appropriate decision makers.

**Finance**

1. The governing board approves an operating budget prior to the beginning of each fiscal year and receives financial reports at least quarterly.

2. Nonprofits with annual revenue in excess of $500,000 have the accuracy of their financial reports *audited* by a Certified Public Accountant. Nonprofits with annual gross revenue of between $250,000 and $500,000 have their financial reports *reviewed* by a Certified Public Accountant.

3. At least 70 percent of the organization's annual expenses are for program activity and not more than 30 percent for management, general, and fundraising costs combined.

4. The organization does not have persistent or increasing operating deficits.
Public Disclosure

1. Annually the organization prepares and makes available to the public, in hard copy or electronic form, information about the organization's mission, program activities, and basic financial data as well as the names of the organization's board members and management staff.

Program

1. The organization periodically reviews its mission. The organization evaluates whether the mission needs to be modified to reflect societal or community changes, whether its current programs should be revised or discontinued, and whether new programs need to be developed.

2. The organization has a written job description for each employee that clearly identifies roles and responsibilities.

We ask that all applicants for general operating support grants review this list we are calling Principles of Best Practice. During the application review process, the Dyson Foundation will assess the organization's readiness for a general operating support grant, in part, by comparing the practices of the nonprofit to these principles. We may also request certain materials from applicants, such as copies of specific board meeting minutes or written policies, that relate to these principles.