

THE FIRST MONDAY REPORT

Thoughts on Fundraising for Campus Ministry

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Fundraising Ethics

It's the time of year when concerns for being "naughty or nice" reverberate from loudspeakers in shopping malls and echo in the heads of children from four to eighty-four. In fact, it may be as close as some people come to a personal assessment of their lives. With the possibility of someone watching our behavior, who of us wouldn't take some time to reflect on the appropriateness of our actions?

While "naughty or nice" doesn't quite state it when it comes to fundraising activities, the concept of "ethics" raises the behavior of organizations to the proper, professional level. Obviously, it's not an issue of whether we get caught or not, or if some higher moral authority is watching us. It's a concern for carrying out our fund raising activities with the highest commitment to responsibility, accountability, and integrity.

To begin on the negative side, here are some examples of unethical fundraising activity:

- The organization tells a donor that their gift will be used for one project, when it actually used for another one.
- The mission of the organization is misrepresented to appeal more to known donor interests.
- High-pressure or guilt-driven tactics are used to obtain a donation.
- Dramatic scenarios are used to appeal to the donor's emotions.
- The professional fund raiser is paid a percentage of each donation secured.
- Donor names are listed on a recognition program before the gift is finalized.
- A board member makes a call on someone who works for the same company, but is not a peer.
- Federal and/or state laws are skirted in reporting income.

The devil in fundraising is often desperation. Campaigns get delayed. Timelines are crunched as windows of opportunity begin to close. Volunteers become exhausted. Perhaps financial goals have to be adjusted downward and visions have to be reviewed. Leadership can become desperate, and without thinking, compromises are made that affect the way donors are treated, gifts processed, and accountability enacted. In despair the mission of the organization may even be twisted to accommodate to a new potential gift. In a panic to shore up a faltering campaign, ethics may be the last consideration.

Here are some scenarios with which I am familiar.

Situation #1: The campaign is falling significantly short of its goal of \$2 million. In recent weeks a potential donor has appeared on the scene, who offers \$1 million if the

facility bears his name. The gift is accepted and high fives are shared by the staff. The successful completion of the campaign is announced, including the naming of the building in honor of the largest donor. Now, months later, it is discovered that the donor is a racist, whose views are counter to those of the institution. Ultimately the gift is returned, the name removed, and a new campaign begins to fund the final \$1 million.

Situation #2: An organization announces the development of a new endowment to provide scholarships to worthy students. Once the endowment is in place, applications for scholarships are invited, but few students apply. The decision is made to use the income from the endowment for a service trips over spring break. Endowment contributors are not notified.

Situation #3: A donor makes a contribution of \$50,000 to a capital campaign, but asks that her name not be used in publicity. However, when the newsletter is published, there is an article about her on the front page. The editor had failed to check with other leadership about permission to acknowledge donors.

Situation #4: An elderly donor has contributed small amounts to an annual fund for many years. It became known in the small town where she lived that she had recently sold some property for a significant capital gain. She was visited immediately by development staff who persuaded her that without a substantial gift on her part their own facility, where she and her husband had met years ago, would need to be sold. This place that held emotional memories for her could only be saved by her sizeable gift, which needed to be received soon. After anguished conversation, she made a large gift, without consulting her financial advisors.

In all of these situations the ethical implications are obvious in retrospect; however, in the midst of hurried, careless, and desperate decisions, ethical guidelines are often not given proper consideration.

The Association of Fundraising Professionals (AFP) operates with a Code of Ethics that promotes high standards and preserves the integrity of philanthropy. Here are some of the standards members embrace as professionals:

1. Practice the profession with honesty, truthfulness, and an obligation to safeguard the public trust;
2. Put philanthropic mission above personal gain;
3. Demonstrate concern for the interests and well being of individuals affected by their actions;
4. Value the privacy, freedom of choice, and interests of all those affected by their actions;
5. Foster cultural diversity and pluralistic values, treating all people with dignity and respect;
6. Affirm, through personal giving, a commitment to philanthropy;
7. Adhere to both the spirit and the letter of applicable laws related to philanthropy;
8. Bring credit to the fundraising profession by their public demeanor.¹

¹ www.afpnet.org

In addition to issuing ethical guidelines for fundraising professionals, the AFP has joined similar organizations in creating a Donor Bill of Rights.² This statement assures prospective donors that they can have full confidence that the organizations and the causes they represent merit the respect and trust of the public and that donors have the following rights:

- To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes;
- To be informed of the identity of those serving on the organizations 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 statements;
- To be assured their gifts will be used for the purposes for which they were given;
- To receive appropriate acknowledgement and recognition;
- To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law;
- To expect that all relationships with individuals representing organizations of interest to the donor 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 mailing lists that an organization may intend to share;
- To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

Those who raise funds for Christian organizations are called to an even higher standard. They represent the organization, but also the church, and ultimately Christ who calls us into stewardship of all creation. Members of the Association of Lutheran Development Executives (ALDE)³ subscribe to these additional principles:

- To seek to serve Christ faithfully and hold His name supreme, and
- To strive to model and promote the concept of Christian stewardship among donors and ALDE professionals.

Even though the amounts generated resources raised by our campus ministries may be relatively small, they fall under the same ethical norms as the mega-donations that are raised by large organizations. We need to apply a critical eye to our fundraising activities, making sure that we are clear about our mission and portray our needs accurately. We cannot manipulate donors through pressure or emotion. We may employ someone to raise funds on our behalf, but not pay them with a percentage of the gifts they secure. And we must be forthright in our accounting and reporting.

² Association for Healthcare Philanthropy (AHP) and American Association of Fund Raising Counsel (AAFRC).

³ www.alde.org

The implications of ethical fundraising practices apply to campus ministries as much as they do to other philanthropic organizations. We are called by the gospel, as well as through our professional relationships, to be good, trustworthy stewards of the gifts given to our ministries, as well as stewards of the donors and their relationship to our ministries. Plan carefully and act ethically. Be good. It's the Christian thing to do for goodness sake.

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