

Ethical Dilemmas in Fundraising

Roewen Wishart CFRE

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3.30 pm

Ethical Dilemmas in Fundraising

**Abridged and adapted from the FIA training module
“Dealing with Ethical Dilemmas in Fundraising”**

The St James Ethics Centre, Catherine McQueen Cawsey and Philip Wright are gratefully acknowledged as responsible for the original training module prepared on behalf of the Fundraising Institute of Australia.

The extensive work of the FIA Codes Task Force created the Principles and Standards of Fundraising Practice, and continues to add new Standards each year.

Introduction – Public Trust and Ethics

- A level of trust that is higher than most commercial transactions - fundraisers request of donors that they trust their organisations in how the donors' money is spent.
- The special untaxed status of charity income, and the tax deductibility of donations to deductible gift recipients also places an additional requirement of trust.
- Ethics are not just a negative “constraint” on decisions and behaviour. Values underlie ethical judgments. Bringing these values to the surface will also enable donors or clients to find and reinforce a match between their values and our organisation's

What's an ethical dilemma?

- Where right competes with right

OR where all options seem wrong, but you have to choose.

- Right v. wrong is a moral temptation. It may mean a tough choice, but it is not an ethical dilemma.

Case Study 1 – Does Anyone Own This Donor?

- A fundraiser changes her employer.
- Question A: is it ethical to approach and solicit donors she knows from her work with a past employer?

Case Study 1 – Does Anyone Own This Donor?

- Question B: is it ethical to approach and solicit if the individual was already a donor to the new employer?

FIA Ethical Decision- Making Model

FIA's PLATO approach to ethical decision-making:

- **P**ROBLEM definition
- **L**OOK up the FIA Principles and Standards
- **A**SK more questions
- **T**HINK through, **T**EST, **T**RY out your decision
- **O**BSERVE and reflect

STEP ONE - PROBLEM definition

What are the facts?

What are assumptions?

Is this an ethical dilemma or a moral temptation?

Where does the dilemma lie?

STEP TWO - LOOK up the FIA Principles and Standards

Which Principles and Standards are relevant to this particular problem?

What do they say?

FIA Principles and Standards

Question C: have you looked at any of the FIA Principles and Standards of Fundraising Practice in the past year?

STEP THREE - ASK more questions

...about informing and respecting donors

- about which topics should we inform donors, and should we wait to be asked?
- how do we also respect beneficiaries?
- What would the donor say if they were here?
- Would I want them to think about, talk about, behave towards me as I to them?
- When donors' needs compete, who takes priority and why?

STEP THREE cont.

...about honesty, transparency and accountability

- How much truth do honesty, transparency and accountability require?
- How much should each individual fundraiser put these requirements into action, and how much are “whole of organisation” responsibilities?
- What happens when obligations to individual donors conflict with these requirements?
- Who knows I am accountable?
- What are the limits of my accountability and why?

STEP THREE cont.

...about relationships

- Who are the stakeholders here?
- What would they want?
- Who takes priority and why?

...about principles and values

- What other principles and values are important here?
- What duties and rights?
- What virtues are important here?
- Does this align with my personal values?

STEP THREE cont.

...about the means and ends

- What would bring the greatest good and least harm?
- What means are appropriate for the ends?
- What would bring about the greatest good for the most oppressed?

...about codes and laws (hard or soft)

- What laws or regulations?

...about purpose and mission

- What is your organisation's mission?
- What is your core purpose?

STEP FOUR – THINK, TEST, TRY

THINK through the options.

- Brainstorm ideas freely, without critique, before culling.

TEST your preliminary decision with one (or all) of the following:

- The Sunlight/ “page one of the newspaper” test: Would you be happy for everybody to know about your decision?
 - The Teacher test: Would you teach your children your decision?
 - The Gut-feeling test.
 - The Legal test: Is it lawful?
 - The Absolute test: Should everyone take this action in this situation?
- **TRY** your decision. Put it into action.

STEP FIVE – OBSERVE and reflect

Observe the consequences of your decision

- Who was affected and how?
- Were there unexpected consequences?

Case Study 2: Bad-mouthing the competition?

- A university major gifts fundraiser notices that several donors comment that another university's engineering faculty has a very poor record of commercialisation. The fundraiser gives greater prominence to his faculty's achievements in commercialisation, and his solicitation results improve.

Case Study 2: Bad-mouthing the competition?

- What if the fundraiser presents statistics about past commercial results from both but omits to say that the other faculty is much smaller and newer?

Question D: has the fundraiser behaved ethically?

Case Study 2: Bad-mouthing the competition?

- Group discussion. Use the **PLATO** process to discuss this case study, including your previous vote, and the additional conduct of the campaign volunteer described below.
- A university major gifts fundraiser notices that several donors comment that another university's engineering faculty has a very poor record of commercialisation. The fundraiser gives greater prominence to his faculty's achievements in commercialisation, and his solicitation results improve.
- What if the fundraiser presents statistics about past commercial results from both but omits to say that the other faculty is much smaller and newer?
- A campaign volunteer who was recruited by the Board Chair explicitly criticises the other university's record in conversations with prospects, and apparently achieves good solicitation results. What is the fundraiser's ethical obligation?

Case Study 3 – Values vs. Publicity?

New York Times

Mississippi A.C.L.U. Rejects \$20,000 for Alternate Prom

By STEPHANIE STROM

Published: March 31, 2010

To avoid further controversy, the American Civil Liberties Union of Mississippi has rejected a \$20,000 gift intended to underwrite an alternate prom replacing one cancelled by a local school district after a lesbian student demanded that she be allowed to attend with her girlfriend.

The gift, to sponsor one of several privately sponsored alternate events, came from the American Humanist Association, an advocacy group whose mission is to promote “good without God.”

“Although we support and understand organizations like yours, the majority of Mississippians tremble in terror at the word ‘atheist,’ ” Jennifer Carr, the fund-raiser for the A.C.L.U of Mississippi, wrote in an e-mail message to Roy Speckhardt, executive director of the humanist group.

Case Study 3 – Values vs. Publicity?

Question E: did the fundraiser behave ethically in declining the donation?

Case Study 3 – Values vs. Publicity?

- Group discussion. Use the **PLATO** process to discuss this case study, including your previous vote, and the additional hypothetical below.

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What if the student had indicated she was not interested in an “alternate prom”? What if this was publicly stated as the reason for declining the donation, even though the true reason for the fundraising staff was the “image impact” of public recognition of the donation?

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