

## Ethical Dilemmas in Fundraising



Presenter  
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## Tainted Money

- Conflict between mission and source of funds
- Illegal money
- Value conflicts

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## Compensation

- Conflict between advancing mission and earning a percentage of funds raised
- Applies to fundraisers and 3rd party vendors

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### Privacy

- Donors' right to privacy
- Privacy Dilemmas
- Prospecting for donors
- Donor intent
- Privacy of information

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### Stewardship Five Universal Principles

- Honesty
- Respect
- Integrity
- Empathy
- Transparency

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### Conflicts of Interest

- Business transactions are transparent
- Same rules apply to all
- Policies and principles to guide and inform

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### Appearance of Impropriety

- What is legal may not be unethical
- Link between ethics and fiduciary duty
- Reputation management and impropriety
- Diversity matters

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### Obstacles to Ethical Decision Making: Rationalizations

- If it's necessary, it's ethical
- All for a good cause
- It doesn't hurt anyone
- I've got it coming
- I can still be objective

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### Josephson Seven Step Path to Better Decisions

1. Stop and think
2. Clarify goals
3. Determine facts
4. Develop opinions
5. Consider consequences
6. Choose
7. Monitor and modify

Source: Josephson Institute of Ethics

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- “No public man can be a little crooked. There is no such thing as a no-man’s land between honesty and dishonesty.” -Herbert Hoover
- “No individual raindrop ever considers itself responsible for the flood.” - Anonymous

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Ethics Case

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**The Big Bad Donor**

A city hospital desperately needs a critical care wing. The nearest facility is 250 miles away, and patients needing critical care often do not survive the trip. Shortly after the hospital board announces a capital campaign, a local businessperson offers to donate the entire cost of the new wing provided the hospital names the wing after him.

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Suppose the donor is known as an underworld figure who allegedly makes his money from drug trafficking. Would it be unethical to accept the money?

Yes  
No  
It depends

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Suppose the donor in question actually went to jail for drug trafficking, served his time, and is now "legit." Would it be ethical to accept the offer?

Yes  
No  
It depends

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Suppose the donor is willing to forget about putting his name on the building, but will give the money only if he is named to the hospital board. Should you accept the gift?

Yes  
No  
It depends

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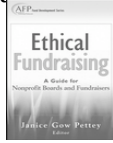
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**Ethical Fundraising: A Guide  
for Nonprofit Boards and  
Fundraisers**



**Janice Gow Pettey, Editor**  
[www.amazon.com](http://www.amazon.com)

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