



## CREATING A CULTURE OF ETHICAL FUNDRAISING: COMBINING ETHICS AND EFFECTIVENESS

On November 9<sup>th</sup>, WID convened a panel of senior colleagues to explore various ethical challenges faced by fundraisers across the profession. Each offered practical advice for addressing sensitive circumstances in a changing environment. Moderated by Erin Dodd, Executive Director, Alumni Affairs & Development, Cornell's Northeast Corridor, the three panelists shared a range of personal experiences, while touching on ethical dilemmas in the news, such as the impact of Sackler family gifts on several major institutions, and the "Varsity Blues" college admissions scandal. Speaking of the latter, Erin related that Cornell's policy is to not solicit gifts from donors who have children approaching college age – a practice that protects both donor and institution.

*"It really has to go back to mission, cause, and purpose."*

Karin George, Managing Principal, Washburn & McGoldrick LLC, led off with this guidance, which she had received from a mentor. Karin recounted how, when she was a newly-minted vice president at a higher education institution, she was close to securing an eight-figure gift for a center when she learned that the prospect wanted to install a family member as the center's director. Relying on the school's giving policies, she stepped out of the conversation, and the school's president stepped in to steer the donor's gift in a different direction.

*"In the end, you represent the organization."*

Pamela Butler, Vice President, Development at Jazz at Lincoln Center, talked about times when donors want you to play a role that you, as a representative of your organization, cannot. A donor with no close family may ask you to be executor of their estate, or a donor who is deteriorating neurologically may want you to manage their money, with funds left at their death going to your institution. There is no way to play this role while you represent the organization, nor can you recommend someone else to play that role. At the risk of losing the donor, you must advise them to seek assistance elsewhere.

*"Don't close the door to the future, especially with an endowed scholarship."*

Emily Lew, Senior Director, Principal Gifts at NYU Langone, has encountered instances when donors wanted a scholarship gift to be limited to a certain gender, nationality, or race; for example, a donor once directed that a scholarship be designated only for women in business. Emily explained that this



wasn't possible, but offered to have the scholarship created for individuals who champion and align themselves with advancing women in business. The donor was happy with this resolution.

*“Take into account the results and not just the process.”*

Donors want to help and they want their resources used to the betterment of the organization, said Karin. You should be transparent with donors about the needs of your institution. In addition, you need to have confidence in your stewardship process. Think about the long term.

*“Some decisions are out of our hands.”*

Pamela commented that sometimes those higher up in your organization may want to accept a gift that you don't believe meets the criteria of your institution's acceptance policy. All you can do is make your case about why you don't think the gift should be accepted. In the end, if someone above you is determined to take the gift, be honest with them about how it could be an issue for the organization.

Wrapping up, the panel agreed that the best tool a development office can have is a strong, written gift policy that lays out the process on gift acceptance. Having this set up in advance allows for conversations that support the appropriate determination on any questionable gift. Other tried and true rules include:

- Bring in partners from your organization early when potential conflicts arise;
- Use the rules and regulations of the IRS to your advantage; and
- Keep your ego in check – the gift must serve your organization first.

“You want to remember the value to the organization well into the future,” Pamela added. She has had to say to donors “we really need you to continue to support us, but we also need you to be flexible.” It is important to have a gift that is going to serve the organization long term, especially if it is a restricted endowment. Erin reminded everyone that, “you want to book the gift, but you want the organization to be strong.”