Development ADVOCACY Stress-Testing Our Fundraising Ethics

John Lippincott, CASE President September 21, 2011 Blackbaud Higher Education Executive Forum

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Stress-Testing Ethics

• Why is ethics important?

H)

- What are the key ethical issues?
- How do I apply ethics in my work?



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Why Is Ethics Important?

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LONG-TERM RELATIONSHIPS

- MUTUAL TRUST
- SHARED VALUES

DONOR INVESTMENT

- CONFIDENCE IN LEADERSHIP
- INSTITUTIONAL REPUTATION





- Professional legitimacy, status
- Potential government regulation
- Public attention arising from "shockingly unethical behavior"

Rollins College President Emerita Rita Bornstein CURRENTS, July/August 2006



- Fewer institutional resources
- Greater need for philanthropic support
- Ever larger campaign goals
- Higher donor expectations
- Lower donor confidence
- More public scrutiny
- Ongoing economic uncertainty



"History shows that where ethics and economics come in conflict, victory is always with economics."

B.R. Ambedkar





UCLA law professor opposes naming institute after Lowell Milken

Alumnus linked to Wall Street junk bond scandal donates \$10 million to help found a business law institute. Lynn A. Stout says he is not 'an appropriate model' for students and will hurt UCLA's reputation.



Contract

Importance of Ethics

Amid Furor Over 'Gift;' U. of Central Arkansas Buys Out President's



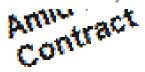
UCLA law professor opposes naming institutafter Lowell Milken

^{Al} Not Just Florida State

U June 28, 2011

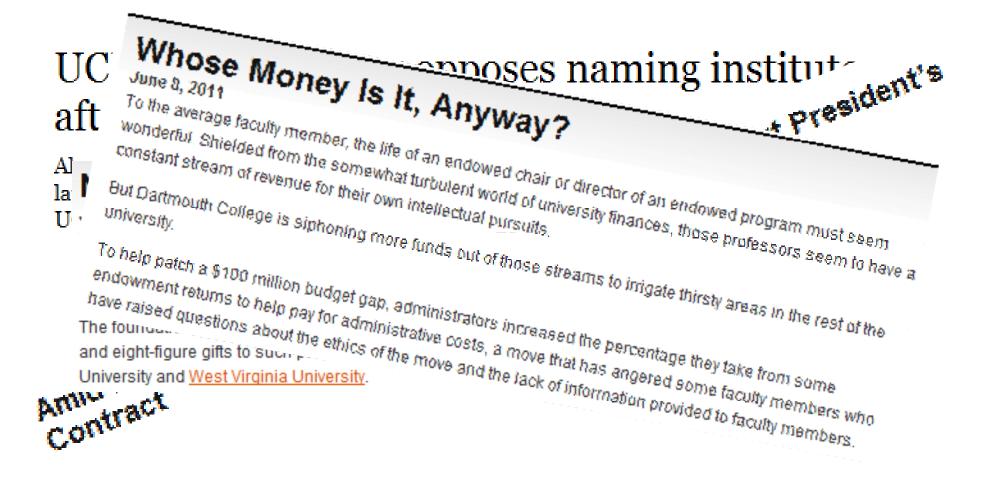
When the terms of a 2008 grant agreement between Florida State University and the Charles G. Koch Foundation became public last month, the news drew attention to the fund for what some saw as an attempt to exert undue influence over personnel matters.

The foundation has made sizable grants to a number of other colleges and universities -- including six-, sevenand eight-figure gifts to such public institutions as Clemson University, George Mason University, Utah State University and <u>West Virginia University</u>.





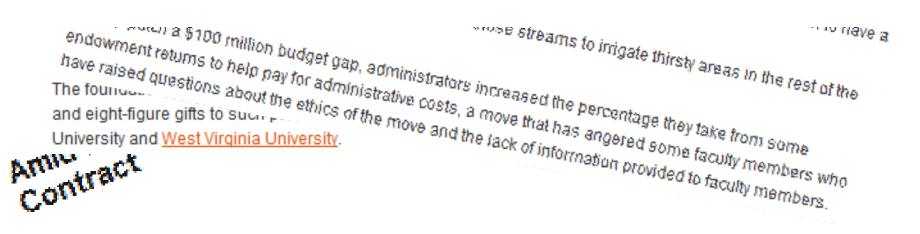








Donor Promise May Have Helped Nemeroff Get Post at U. of Miami











Howard Davies insists Gaddafi gifts did not undermine LSE's independence

Director resigns over 'personal error of judgment' but says school's academic integrity is untouched by links with Libya

Should universities take donations from tyrants?

Is it possible for universities to avoid donations - like Gaddafi's to the London School of Economics - that embarrass them later?

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What Are the Key Issues?

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Institutional Mission/Values

"Individuals will ... pursue only gifts that fall within, or advance, the institution's mission and/or approved priorities."

> CASE Principles of Practice for Fundraising Professionals





Donor Control

"A donor may not retain any explicit or implicit control over the use of a gift after acceptance by the institution."

> CASE Reporting Standards & Management Guidelines





Donor Rights

- To be assured their gifts will be used for the purposes for which they were given.
- To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

Donor Bill of Rights





Public Right to Know

Fundraising professionals will "provide prompt, responsive and truthful replies to donor and public inquiry in accordance with the organization's stated policies."

> CASE Principles of Practice for Fundraising Professionals





Conflicts of Interest

"Conflicts of interest may occur when the interests of the institution differ from those of a constituent or when the interests of an institutional representative differ from those of a constituent or the institution itself. "

CASE Statement on Management of Conflicts of Interest



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How Do I Apply This to My Work?

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"Action indeed is the sole medium of expression for ethics."

Jane Addams





Preparation

t Agreement: Endowe		t: (Name) Endov	red Chair	DRAFT
I. Introduct				
The purpose of t	his agreement ("Agr ("Donor") and th	eement") is to summ e California State	University, Fresno	Foundation
California Stat	te University, thool" or "College	ishment of an endor Fresno ("Fresno "). This Agreemen is intended as a guide	State") School/ at will be made a	College of part of the
fund in the future				
II. Descriptio	on of the Gift			
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• 5	due and payabi	le on or before	[date]	
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• \$	due and payabl	le on or before	[date]	
funds be transferr apply.] III. Purpose a A. The purpose of	ed to the Foundation and Administration of this gift is to esta	est naming the Fou a through this bequest of the Fund blish a true endownss [name	, the terms of this Ag ant Fund within the I	reement shall Foundation to
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Agreement - Endow	ed Chair 1 5 09			Page 1





Transparency



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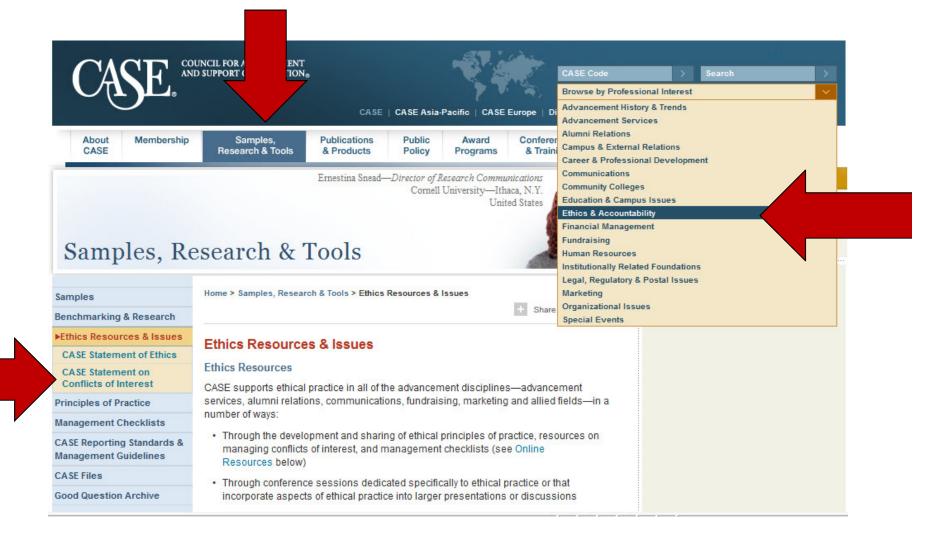


Education









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Ethics in Action

For All Advancement Professionals

- CASE Statement of Ethics
- CASE Statement on Management of Conflicts of Interest
- CASE management checklists
- Independent Sector Statement of Values and Code of Ethics for Nonprofit and Philanthropic Organizations
- Samples, case studies and other resources





For Alumni Relations

 Principles of Practice for Alumni Relations Professionals

For Communications/Marketing

- Principles of Practice for Communications and Marketing Professionals
- Principles of Practice for College and University Editors



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Ethics in Action

For Fundraising Professionals

- Principles of Practice for Fundraising Professionals
- Statements on Compensation for Fundraising
 Performance
- Management Guidelines/Reporting Standards
- Stewardship Program Checklist
- Donor Bill of Rights
- ePhilanthropy Code of Online Philanthropic Practices





Online Sample Collections

- Gift agreements
- Naming policies and opportunities
- Ethics and conflict of interest policies
- Records retention policies
- Gift fee policies and disclosure statements
- Whistleblower policies
- Memoranda of understanding between IRFs and host institutions





Practice



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- "... the questions that truly test our ethics are not questions of right vs. wrong but rather of right vs. right.
- "They are [ethical] dilemmas precisely because each side is firmly rooted in one of our basic, core values," says ethicist Rushworth Kidder.

"Doing the Right Thing," CURRENTS, May 1999





Four central perspectives that influence and inform ethical decision-making:

- Public trust/values
- Organizational mission
- Professional relationships
- Personal integrity

Augsburg College President Paul Pribbenow





- What broad social norms are at play?
- How do the stated values of our institution apply to this situation?
- What guidance can we take from our professional standards?
- How can I live up to my personal ideals in this situation?

Augsburg College President Paul Pribbenow



- Is your staff aware of professional principles and ethical standards?
- Are principles and ethics part of new staff orientation, staff meetings, professional development programs?
- Are you familiar with the standards for the other advancement disciplines?
- How well do you listen when colleagues or staff raise ethical concerns?
- Do you communicate your profession's principles and standards to others at your institution?



"Personal leadership is the process of keeping your vision and values before you and aligning your life to be congruent with them ."

Stephen Covey



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Thank you!

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