

Fundraising & Ethics

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Just as fundraising is such an important part of nonprofit organizations, ethical principles and practices are just as vital- if not more. The fact that the practices we follow in nonprofit organizations can better or destroy them should tell us that ethics are the backbone of both fundraising and nonprofit themselves.

What is Ethical Behavior?

To begin any sort of discussion about ethics or ethical behavior, we first need to understand what ethics means in the first place. This begs two questions: What is ethics? And: what would constitute ethical behavior? According to Adrian Sargeant, Jen Shang, et al, (2017): “Ethics tells us how to live a good life.” (p.50). So, according to this definition, ethics should dictate or guide how to have an ideal life; in other words, how to conduct ourselves not only with others but when dealing with business venues or any sort of organization in our daily life. Furthermore, “Ethics outlines our rights and responsibilities. It constructs the language we use to discuss what is right and what is wrong.” (Sargeant, Shang, et al, 2017, p.50). Putting these two parts of the definition can prove to be challenging for some people but is not impossible.

As stated by the Sargeant, Shang et al, having an ethical behavior would be directly connected to knowing the difference between what is right and what is wrong. It would also help us distinguish what our rights and responsibilities are regarding any sort of interaction we have with not only nonprofit organizations but with other people as well. This takes us to the idea that our ethics are truly a guide to how we choose to conduct ourselves in our personal lives. I think that if you have a strong moral compass, then by association, your ethical behavior should be acceptable. This in turn, would translate to having good ethics at work (whether that is in the business world or in the nonprofit sector). So, I would believe that simply put: ethics would

basically mean distinguishing between right or wrong when it comes to your place of employment and your daily life.

Why is Ethical Behavior Important for Nonprofit Organizations?

Ethical behavior is important because as stated before, your ethics could easily help your organization flourish or also burn it to the ground. Circling back to everything I have learned so far and all my previous experience, thinking ethics will help you have a good life is not enough. You cannot assume that whatever you think is right or wrong will be a given to everyone else. Instead, you must stop and think of how whatever action you could take can affect those around you (whether is in your personal life or work life). If you were to see that something you thought was a 'right' behavior could jeopardize something at work or be perceived as 'wrong' by others, then is time to analyze our own perception of 'right' and 'wrong.' Authors Deborah L. Rhone and Amanda K. Packel (2000) explain, "People vary in their capacity for moral judgement- in their ability to recognize and analyze moral issues, and in the priority that they place on moral values... (p.2). This helps explain what I was trying to convey; People can have different understanding of what is right and wrong, depending largely on their perceptions.

So, the first step here is to understand that our definition of 'right' and 'wrong' is key to how our ethical behavior works in all elements of our life. Shifting completely to the nonprofit world or sector, our ethical behavior is extremely important there because it will also influence our reputation and our future. Robert McCartney (2020) explains that because of COVID and the recession, many nonprofit organizations are being heavily affected and have to close down for lack of funds; he further elaborates that now is the time when your ethical behavior from the past having built your reputation will definitely help some nonprofits survive while others die (pp.1-4). As I had stated before, our reputation will help us and is deeply rooted to the ethical

behavior of the individuals involved with those nonprofits. So, once again why is ethical behavior important in the nonprofit sector? Simply put, ethical behavior will either save or sink your organization in times of need. If your ethical behavior is up to par, then you are doing more than enough to help your organization survive. We could go as far as saying that our ethical behavior pumps the blood to the heart of our nonprofit organization.

How is Ethical Behavior Connected to Fundraising?

We have seen that ethical behavior helps whatever work we do in a nonprofit. So, now we must address how this connects to fundraising. Fundraising goes hand in hand with our ethical behavior. As a matter of fact, I would dare to say that ethical behavior is more present in fundraising and grant writing than in any of the other areas of the nonprofit organization. One could argue that there are other areas where the ethical behaviors of the individuals involved in the nonprofit could matter as much; these could involve any areas where money is directly involved too. The fact of the matter is that when you are accountable to others for your actions the way you are with fundraising and grants (donors and grant makers in this case), then that is where that ethical behavior would matter the most. “Unethical behavior erodes confidence in nonprofit leaders and breaks down trust” (Lena Eisenstein, 2020). As stated by Eisenstein, if you do not have good ethical behavior, you will lose the trust of your audience. If a certain nonprofit organization is known around as a place where they do not distinguish between right or wrong or where they have a bad reputation for not having a good ethical behavior, then that will translate to poor performance on any sort of fundraising activity. After all, who will want to support an organization that cannot be trusted with money or even with any sort of actions?

Real-Life Lessons

I feel that in order to illustrate the importance of our ethics in fundraising and in nonprofit, it is necessary to see some examples of how poor ethic behavior has destroyed or negatively affected certain organizations. As stated by Marcus Varner (2016), in recent years, we have seen cases such as the following:

1. The Clinton Foundation: Even though they seemed to have a good record when it came to ethical behavior, the last name attached to the organization gave them a lot of problems in 2016. This since Hilary Clinton unwittingly stained the organization by being involved in a very rough presidential campaign that saw damaging emails and other information being released to the public. The organization lost the public trust because many of their unethical behavior practices were exposed thus damaging their fundraising efforts beyond repair.
2. The Trump Foundation: Again, and just like our previous example, during the presidential campaign in 2016, this foundation came to light as to how they conducted themselves. On numerous occasions, it was discovered that their fundraised funds were not being used as promised, thus damaging the public's trust and confidence in them.
3. Wounded Warrior Project: During 2016, this nonprofit was caught spending some of the money from fundraisers on hobbies and parties that had nothing to do with the mission of the organization. Many experts were quick to point out that compared to other similar organizations, this one was spending most of its budget on its employees/volunteers than on its audience. (<https://medium.com/bestcompany/charity-scandals-the-six-ugliest-of-2016-19d3f1149a>).

All of these cases have something in common: because of the lack of ethical behavior by some of their members, it is highly unlikely than any of their fundraising efforts will be perceived as honest or trustworthy.

How to Implement Ethics in Fundraising?

When it comes to ethics and fundraising, I passionately believe it is just about knowing two things. First, I need to know what is ‘right’ and ‘wrong’ as based on the expectations of my audience/ public and not just my personal opinion. I need to process that and make sure that whatever behavior I exhibit reflects their expectations and tie to the legal aspects that the government expects from me as well. In other words, if my public expects something but that something is illegal, well that is where the compromise must be made, and I have to make sure my behavior is presented as best as it can be. More than anything, I need to guide myself by the laws and by making sure to follow the mission and guidelines of my nonprofit as well. Second, I need to be accountable and transparent when it comes to how any fundraised or grant awarded money is used within the organization. Every single dollar counts. I must make sure that all the money raised by any means serves the purpose that my mission states.

I would definitely hold all members of the organization accountable for their actions and follow the legal requirements to be transparent or accountable to both government and the public. In addition to that, I would make sure that we went the ‘extra mile’ and made special announcements such as newsletters or social media posts, where we could explain how we were using the money raised. I think being as open and transparent as possible will reap us great rewards when it comes to the future of our nonprofit organization. We want to make sure that the donors and grant makers see that we are trustworthy and that we will be accountable for their support. Finally, I think having the trust of the community and our donors will be an integral part

in our survival as a nonprofit organization. With that, we will guarantee a fighting chance for our future and for the accomplishment of our mission as well.

Conclusion

Having the trust of your public ties directly to the survival of your nonprofit and the accountability to your donors and grant makers. If you as a leader of the nonprofit are transparent, accountable and above all reflect positive ethical behavior then you will in turn have a successful and healthy organization. Finally, having a successful organization will only occur if you are adept at handling fundraisers as those are deeply connected to your ethical behavior. Everything is part of the same cycle and the common thread would be the ethical behavior of the members.

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