



Finding your “line in the sand” for fundraising: Establishing guidelines around when to accept and when to reject donations

It goes without saying that non-profit organizations need donations to do the work they do. For exactly that reason, it can seem unfathomable that a non-profit might turn away and say “no” to a donor. However, while many organizations will never be faced with a situation where they struggle with the ethical issues related to a specific donor, it is important that organizations consider the possibilities and establish decision making criteria in case the situation arises, ideally before being confronted with an ethical debate!

While there are no clear-cut right or wrong answers, there are some questions that are helpful to assist in guiding discussion and decision making to determine the organization’s “line in the sand” – the point at which an organization would feel they were crossing a line from ethical to unethical or not in the organization’s best interest.

Questions to consider:

Are there individuals, groups, organizations, or industries that might have a self-serving interest in financially supporting your organization with ethical implications?

While many donors could have a self-serving interest in that your organization’s success advances their interests and goals, this does not necessarily pose ethical implications.

Consider:

- ❖ Does your mission align with theirs?
- ❖ Do you clearly support their success OR are there things they do or parts of their mission that don’t align with or even conflict with your mission?
- ❖ Are there issues or agenda items on which you not only have divergent views and goals but their agenda negatively impacts your agenda?
- ❖ Are they “good guys” or not such good guys hoping to make themselves look better by donating to our organization (which could compromise your reputation)?
- ❖ Would accepting a financial donation or partnering with them compromise your objectivity, your expertise, or your image – real or perceived?

Developing a decision making and screening process:

While it is not possible to foresee every possibility ahead of time, it is recommended that your organization have some pre-fundraising discussions, thinking through some

“what if’s” ahead of time. It is essential that your organization develop criteria for consideration and a decision making process through which potential donors can be filtered.

Recommendations for developing criteria and a decision making process:

- ❖ Identify any “absolutely no’s” that might present to your organization. For example, if you are focused on healthcare issues, tobacco companies are most likely on your “absolutely no” list. Or, if your organization advocates for patient safety, a group fighting against malpractice claims would likely make your “absolutely no” list.
- ❖ An organization, individual, or industry makes it to your “absolutely no” list if a majority of staff, Board members, and partners have a strong and immediate reaction of “NO!” when considering accepting money from them.
- ❖ Staff and Boards of Directors should develop a decision making process that will be employed to screen those individuals, organizations, or industries that might present as donors and give “pause”, i.e. you don’t decide to approach them or accept the check without having some gut-level concerns.
 - Who will make these decisions?
 - What are the guiding questions that will be utilized to make the decision?
- ❖ Some potential guiding questions to consider:
 - What is your gut saying?
 - Would you be comfortable with the public, your members, and other donors knowing that you accepted a donation from X?
 - Is there any concern that accepting money from X could compromise your objectivity?
 - Is there any concern that accepting money from X could give the perception of compromised objectivity?
 - Are there checks and balances, a memorandum of understanding, or some other system or process that will ensure that there will be no quid pro quo relationship?
 - Do you support most of what X does and stands for? Said another way, do you object to only a small part of X or a whole lot of X?