

# What Does It All Mean— For Higher Education, Philanthropy and the Greater Good?

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# Importance of Stewardship

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- Must assure the public that philanthropic funds are being used for the purposes for which they were intended.
- Honor the spirit as well as the letter of donor intentions

# What is Ethical Fundraising & Why Is There A Code?

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- NSFR -- June 21, 1960
- Founders: Benjamin Sklar, William Simms and Harry Rosen
  - Code of Ethics and Representation of the Fundraising Profession
- Three “C’s” for the Profession
  - Curriculum, Credential and Code

# AFP Ethical Standard 14

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- Members shall take care to ensure that contributions are used in accordance with donors' intentions.

# Standard 14 Guidelines

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- Members ensure that proper documentation outlining the intention and expectation of the donor(s) is provided to all appropriate persons and organizational units within the recipient organization. This documentation, including copies of all relevant supporting materials, is made a permanent part of the records of such units.

# Standard 14 Guidelines

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- Members ensure that gifts are used if and as specified by the donor. If a donor indicates a use that is inappropriate, the member confers with the donor to determine an appropriate use that is in keeping with the donor's wishes and the organizational mission. In the event that no mutually satisfactory use can be determined, the member offers to return the donation.

# Standard 14 Guidelines

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- Members review documentation on a regular basis to ensure that those responsible for administering gift funds continue to adhere to the donor's intentions.

# AFP Ethical Standard 16

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- Members shall obtain explicit consent by the donor before altering the conditions of a gift.

# Standard 16 Guidelines

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- Members meet with the donor or the donor's surviving family or representatives to discuss any potential alteration in the original conditions of a gift.

# Donor Bill of Rights

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- Developed by a coalition of fundraising organizations
- Explicitly outlines the rights that donors have when making a contribution and the responsibilities a charity has to its donors

# Specific Rights

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- I. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
  
- IV. To be assured their gifts will be used for the purposes for which they were given.

# Gift Acceptance Policies

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- Discussion of donor intent and use of funds should charity goal be met or other significant change
- Shorter time-frame for gifts instead of giving “in-perpetuity”

# American University Example

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- Major donor continues to discuss interesting in major gift as he becomes more involved in the university
- Brings in public relations person to discuss recognition opportunities and creates menu of items that university must agree to in order to receive the gift

# American University Example

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- Menu of items included:
  - More focus on his name on the building
  - Large office (wanted it to be as big as the dean's)
  - Name on law school letterhead
- University ended up reviewing the intent of the donor and refusing the gift

# Yale University Example

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- With Yale University's 2005-2006 budget projections in the red, the university decided not to raise new funds, but transfer pre-existing funds from the endowment
- Key goal of the development office was to review restricted funds and see which funds could be transferred, after examining donor intent and speaking with donors

# Importance of Stewardship

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- Fundraisers are not just stewards of the public's money, but of the public trust
- Ethical fundraising is donor-centric, based around the needs of the donor
- Stewardship is based on respect of the donor and the impact of his/her gifts