



5. Maintain confidentiality in handling donor and prospective donor records

Article Review: "The Perils of Philanthropy" by Joan Szabo

Staff meetings can be perfect time for ethics training

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Author Joan Szabo in her article, "The Perils of Philanthropy" published in Currents (No. 24, January 1998), suggests the use of ethics training to help one's staff identify and address potential problems before they occur.

She uses a case study of a problematic gift to get her point across. "Multimillionaire John du Pont pledged a substantial sum to Villanova University athletics causes--so substantial the university named a 6,500 seat sports pavilion for him in 1985. But in January 1996, du Pont shot and killed an Olympic wrestling champion...He was judged mentally ill but also guilty of the crime 15 months later." The university faced an ethical dilemma: Should du Pont's name remain on the building?

Szabo states that in a great majority of cases, gifts are not fraught with danger. However situations that pose ethical questions do arise. What if a donor goes from famous to infamous overnight? Where is the line between donor control and institutional autonomy? How far do you go to recognize an unfulfilled pledge?

The development staff's awareness of ethics needs to be raised to get a head start on how to handle questionable situations that may arise. Here are some common approaches:

1. **Talk over the issues.** Discussion at staff meetings of gifts in progress and the ethical ramifications attached to each is an excellent mechanism to help see all sides of an issue. The goal of such discussions is to make the staff comfortable with thinking problems through. They should never feel pressured to accept a gift at any cost.
2. **Use case studies for a trial run.** Using case studies can provide a non-threatening way to discuss ethics. Putting aside 15 minutes at staff meetings to discuss case studies is a mechanism many managers utilize. Although it is beneficial for staff to openly discuss there various perspectives, in the end they must be clear on the organization's policies.

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3. **Write ethics policies so you can go by the book.** "Written policies can't address every possible situation," says Szabo, "but they can give your actions coherence and explain the logic that should govern decisions on any specific gift." Issues around which guidelines can be developed include prospect confidentiality, donor premiums, endowment administration, naming of a building or a room, counting or recognizing pledges and gifts in kind.
4. **Follow the leader.** The person to turn to if a policy is unclear or if a final decision must be made is your CEO. The mission of the organization must be served well by the financial gifts it receives. In some situations, the CEO is the one person who can best assess the total impact of a gift.

Organizations can conduct their own ethics audit. The following questions, which are based on work by the Ethics Resources Center in Washington, D.C., are an excellent place to start a conversation.

1. **Know your values.** Do you have clearly articulated vision and mission statements? Is there a gap between the values of management and staff members?
2. **Communicate your values.** If you ask your staff, donors and others what your institution stands for, what would they say? Do you regularly articulate your institution's values through your communication channels?
3. **Know to whom you are accountable.** Who are your stakeholders----the board, staff, administrators, donors, alumni, students, others? Do their values differ significantly from your institution's values?
4. **Define your success ethically.** How does your organization define and measure its success? What incentives do you offer? What effect do they have?
5. **Make ethics important to your organization.** Is ethics a factor in the hiring, promotion, and termination of staff at all levels? Do you have procedures in place for employees who need to ask an ethics question or report a concern?

In the end according to Szabo, making ethical considerations a key part of your routine will keep most problems at bay.

"The Perils of Philanthropy" and other articles focusing on ethical issues can be found in a bibliography developed by the Ethics Committee. The bibliography is available through ALDE at (800)458-2363 or at www.alde.org.