

Encore

A Spotlight on Philanthropy in the
Performing Arts

Alexander Haas
TRANSFORMING INSTITUTIONS THAT TRANSFORM LIVES

First Things First



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from the desk of
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A Modern Day Fundraising Dilemma

Reviewing the ethical statements now required to be accepted when renewing my Certified Fund Raising Executive (CFRE) status last month, I was particularly struck by the following points in the International Statement of the Ethical Principles of Fundraising:

- *Fundraisers will always respect the free choice of all individuals to give donations or not.*
- *Fundraisers will not accept donations where the acceptance of those gifts would not be in the best interests of the organization or create a conflict of interest that would be detrimental to the organization's reputation, mission, and relationship with existing supporters and beneficiaries.*

Until recently, I wouldn't have thought about these statements representing donors' and organizations' rights necessarily being in conflict. However, considering recent high-profile cases of gifts being rejected, or being refused before they've even been offered, following these principles in certain circumstances can create quite a dilemma for the modern fundraiser.

On rare occasion, a donor's conflict of interest, such as their own personal gain, the burden of administering a particularly complicated gift, or a donor's desire to direct their gift for a use outside the organization's best interest requires invoking a review of gift acceptance policies or the consideration of a formal gift acceptance committee - the channels through which fundraisers are shielded from personally deciding whether an unusual gift should be accepted.

Yet, these days, institutions are increasingly facing external pressure to reject otherwise legitimate donations from individuals and families, not on these grounds, but based on perceived immorality on the proposed donor's part. As an example, numerous museums in the United States and England have recently been forced to

respond to public pressure by rejecting current and future gifts from the Sackler family, with protesters asserting the family's personal complicity and contribution to the opioid addiction crisis.

It is usually a straightforward decision not to accept a gift when a proposed donor has been convicted of criminal activity. But in recent cases, a donor's political views, their position on a provocative or hotly-debated topic such as climate change, or their legal ownership of a company with controversial business interests have encouraged bystanders to take a vocal, public position on the validity of the donor's giving and to criticize an organization's appropriateness in receiving it.

The essence of charitable giving in America relies on an individual's freedom to make a voluntary contribution to any organization or worthy cause they wish to support. These transactions of the soul can bring indescribable joy and fulfillment to the donor, while providing the resources necessary for an organization to maximize the delivery of its mission. Our job as fundraisers is not to question a donor's character or motive for choosing to be philanthropic; it is to facilitate their ability to give unless some real conflict exists that would substantially impede or damage the organizations we represent.

The values-based questions in play today supersede the function of a traditional gift acceptance committee. An organization's board of directors, with public input as it sees fit, should be the arbiter of whether a gift from a specific donor would be detrimental to its organization's reputation or mission or would harm its relationship with its constituents to the extent that the gift should be refused. But as boards diversify and represent more divergent points of view, debate about the receipt of controversial gifts is only likely to increase, further complicating fundraisers' ethical role in representing both donors' and institutions' interests.

In the end, I believe that the spirit of philanthropy and goodwill that has fueled America's nonprofit sector and provided immeasurable benefit to society will continue to thrive, reconciling the generosity of well-intentioned individuals and families with the organizations that are meaningful to them. And as far as I am concerned, it is a privilege to assist them both in this worthy endeavor.

October is *Ethics Awareness Month*

In the midst of the public asking questions about donor anonymity and what counts as tainted money, the **Association of Fundraising Professionals** launched **Ethics Awareness Month**, just ahead of the busy fundraising season.

"A lot of people believe we have entered a new era of philanthropy scandal," says Robbe Healey, chair of AFP's Ethics Committee. But she says the organization was founded in 1960 partly because of "concerns about ethical practice and unethical practice. It's been a driving force since the very beginning."

AFP requires members to comply with its Code of Ethical Standards, which was designed to provide concrete guidelines for nonprofit fundraising professionals. The group publishes a list on its website of fundraisers who have been sanctioned or expelled from the organization. The goal of Ethics Awareness Month is to give fundraisers the tools and skills they need to draft documents and policies, such as gift agreements, and to lead conversations with nonprofit executives and staff members to be sure everybody knows about fundraising ethics.

On October 1, a social-media campaign was launched to explain one of the 25 standards in its ethics code each business day, with the goal of demystifying the rules for fundraisers, board members, donors, and others.



"Expanding the awareness of ethics is an extension of building out the professionalism of fundraising as a career path," says Jason Lee, AFP's chief advocacy and strategy officer and general counsel. *COP*, 9-30

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When we conduct assessments, we make it a point to first speak personally with everyone who has a hand in the development program.

Sandra Kidd
Partner

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Points of Interest

The Music Center (Los Angeles) received a \$12 million gift from board member Cindy Miscikowski and the

Ring-Miscikowski/Ring Foundation. Announced at the dedication of the newly renovated Music Center Plaza - which Miscikowski and her foundations also helped fund - the gift will seed the TMC Arts Fund, which was created to broaden access to the arts in Los Angeles. *LATimes*, 8-28

The Haslam 3 Foundation awarded grants totaling \$4.5 million in support to **Playhouse Square**, the **Rock and Roll Hall of Fame**, and the **Cleveland Orchestra**. The gift from Cleveland Browns owners Jimmy and Dee Haslam will support arts education programs. *Cleveland.com*, 8-22

A study of Charitable account holders in 30 metropolitan areas, ranked the top ten cities for giving in eight issue areas: arts and culture, education, environment and animal welfare, health, human services, international affairs, religion, and public society benefit. The report, *2019 Geography of Giving*, found that Portland, Oregon, is the top ranking city in regards to giving to arts and culture. The area jumped five spots to unseat Boston. *PND*, 8-21

Aurora Theatre* (Atlanta) named long-time veteran Katie Pelkey to the role of general manager, where she will oversee daily operations, budget and revenue of the \$2.9 million non-profit operation. David Koté will also become the theater's new Director of Education/Artistic Associate. Koté is an award-winning director, actor and educator who brings extensive experience to the creative team of the fastest-growing professional theater in Georgia. *Metro Atlanta CEO*, 8-19

The **Woodruff Arts Center** (Atlanta) raised a total of \$49 million during its fiscal year that ended in May. In addition to meeting its \$13 million goal for its corporate campaign, the Arts Center also raised almost \$14 million in special gifts and bequests during its annual fundraising drive. Also, the individual divisions raised a total of \$22 million in their specific fundraising efforts. *ABC*, 8-15

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