

GLOBAL FUNDRAISING

How the World Is Changing
the Rules of Philanthropy

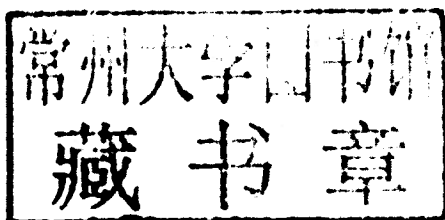


Penelope Cagney and Bernard Ross

Global Fundraising

How the World Is Changing
the Rules of Philanthropy

PENELOPE CAGNEY
BERNARD ROSS



WILEY

John Wiley & Sons, Inc.

Cover Design: Wendy Mount

Cover Image: © Andrew Johnson/Getty Images

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Published by John Wiley & Sons, Inc., Hoboken, New Jersey.

Published simultaneously in Canada.

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Library of Congress Cataloging-in-Publication Data:

Cagney, Penelope, 1956–

Global fundraising: how the world is changing the rules of philanthropy / Penelope Cagney and Bernard Ross.

pages cm.—(The AFP/Wiley fund development series)

Includes index.

ISBN 978-1-118-370 70-4 (cloth); ISBN 978-1-118-41726-3 (ebk);

ISBN 978-1-118-42052-2 (ebk); ISBN 978-1-118-57017-3 (ebk)

1. Charities. 2. Globalization. I. Ross, Bernard, 1953– II. Title.

HV40.35.C34 2013

361.7—dc23

2012041910

Printed in the United States of America

10 9 8 7 6 5 4 3 2 1

Additional Praise for *Global Fundraising*

"Penelope Cagney and Bernard Ross have done our sector a great service in bringing together such a talented team of top philanthropy specialists and non-profit experts to address the big issues covered by this book and give us their insights. In times of unprecedented challenges there's much excitement and optimism here, as well as sound guidance and helpful advice. Anyone interested in fundraising and philanthropy internationally will find this book a great investment."

—**Ken Burnett**, author, *Relationship Fundraising* and other books

"*Global Fundraising*, for an international fundraiser, is like have a Platinum Card for your favourite airline and being flown business class around the world gathering insights from some of the brightest and best fundraising practitioners on this planet. Global Giving is a must have, must read, must digest atlas for anyone taking a serious look at what is happening today in the ever globalised world of fundraising and philanthropy."

—**Daryl Upsall**, Chief Executive,
Daryl Upsall Consulting International

"This book is a long-overdue look at philanthropy globally. It will help every fundraiser put their fundraising program into perspective."

—**Harvey McKinnon**, President, Harvey McKinnon Associates; author of *11 Questions Every Donor Asks* and the number one international bestseller *The Power of Giving*

"Generosity always finds a way to help those in need. This extraordinary book opens our eyes to experiences from people all over the world whose remarkable vision and creativity are changing the way we look at fundraising. Without a doubt, a can't miss read."

—**Isabella Navarro**, former Development Director,
Universidad de Monterrey, Mexico

A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

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.

II.

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.

III.

To have access to the organization's most recent financial statements.

IV.

To be assured their gifts will be used for the purposes for which they were given.

V.

To receive appropriate acknowledgement and recognition.

VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX.

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY

Association for Healthcare Philanthropy (AHP)
Association of Fundraising Professionals (AFP)
Council for Advancement and Support of Education (CASE)
Giving Institute: Leading Consultants to Non-Profits

ENDORSED BY

(in formation)
Independent Sector
National Catholic Development Conference (NCDC)
National Committee on Planned Giving (NCPG)
Council for Resource Development (CRD)
United Way of America

AFP Code of Ethical Principles and Standards



ETHICAL PRINCIPLES • Adopted 1964; amended Sept. 2007

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical behavior in the fundraising profession and to preserve and enhance philanthropy and volunteerism. Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy, are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding direction of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members, both individual and business, embrace certain values that they strive to uphold in performing their responsibilities for generating philanthropic support. AFP business members strive to promote and protect the work and mission of their client organizations.

AFP members both individual and business aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust
- act according to the highest goals and visions of their organizations, professions, clients and consciences
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose
- improve their professional knowledge and skills, so that their performance will better serve others
- demonstrate concern for the interests and well-being of individuals affected by their actions
- value the privacy, freedom of choice and interests of all those affected by their actions
- foster cultural diversity and pluralistic values and treat all people with dignity and respect
- affirm, through personal giving, a commitment to philanthropy and its role in society
- adhere to the spirit as well as the letter of all applicable laws and regulations
- advocate within their organizations adherence to all applicable laws and regulations
- avoid even the appearance of any criminal offense or professional misconduct
- bring credit to the fundraising profession by their public demeanor
- encourage colleagues to embrace and practice these ethical principles and standards
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy

ETHICAL STANDARDS

Furthermore, while striving to act according to the above values, AFP members, both individual and business, agree to abide (and to ensure, to the best of their ability, that all members of their staff abide) by the AFP standards. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

MEMBER OBLIGATIONS

1. Members shall not engage in activities that harm the members' organizations, clients or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications and will represent their achievements accurately and without exaggeration.
7. Members shall present and supply products and/or services honestly and without misrepresentation and will clearly identify the details of those products, such as availability of the products and/or services and other factors that may affect the suitability of the products and/or services for donors, clients or nonprofit organizations.
8. Members shall establish the nature and purpose of any contractual relationship at the outset and will be responsive and available to organizations and their employing organizations before, during and after any sale of materials and/or services. Members will comply with all fair and reasonable obligations created by the contract.

9. Members shall refrain from knowingly infringing the intellectual property rights of other parties at all times. Members shall address and rectify any inadvertent infringement that may occur.
10. Members shall protect the confidentiality of all privileged information relating to the provider/client relationships.
11. Members shall refrain from any activity designed to disparage competitors untruthfully.

SOLICITATION AND USE OF PHILANTHROPIC FUNDS

12. Members shall take care to ensure that all solicitation and communication materials are accurate and correctly reflect their organizations' mission and use of solicited funds.
13. Members shall take care to ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.
14. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
15. Members shall take care to ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
16. Members shall obtain explicit consent by donors before altering the conditions of financial transactions.

PRESENTATION OF INFORMATION

17. Members shall not disclose privileged or confidential information to unauthorized parties.
18. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization or a client is the property of that organization or client and shall not be transferred or utilized except on behalf of that organization or client.
19. Members shall give donors and clients the opportunity to have their names removed from lists that are sold to, rented to or exchanged with other organizations.
20. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

COMPENSATION AND CONTRACTS

21. Members shall not accept compensation or enter into a contract that is based on a percentage of contributions; nor shall members accept finder's fees or contingent fees. Business members must refrain from receiving compensation from third parties derived from products or services for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).
22. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
23. Members shall neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
24. Members shall not pay finder's fees, commissions or percentage compensation based on contributions, and shall take care to discourage their organizations from making such payments.
25. Any member receiving funds on behalf of a donor or client must meet the legal requirements for the disbursement of those funds. Any interest or income earned on the funds should be fully disclosed.



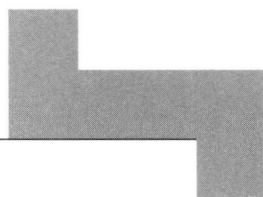
The AFP Fund Development Series

The AFP Fund Development Series is intended to provide fund development professionals and volunteers, including board members (and others interested in the nonprofit sector), with top-quality publications that help advance philanthropy as voluntary action for the public good. Our goal is to provide practical, timely guidance and information on fundraising, charitable giving, and related subjects. The Association of Fundraising Professionals (AFP) and John Wiley & Sons, Inc. each bring to this innovative collaboration unique and important resources that result in a whole greater than the sum of its parts. For information on other books in the series, please visit:



<http://www.afpnet.org>

Global Fundraising



THE ASSOCIATION OF FUNDRAISING PROFESSIONALS

The Association of Fundraising Professionals (AFP) represents over 30,000 members in more than 207 chapters throughout the United States, Canada, Mexico, and China, working to advance philanthropy through advocacy, research, education, and certification programs.

The association fosters development and growth of fundraising professionals and promotes high ethical standards in the fundraising profession. For more information or to join the world's largest association of fundraising professionals, visit www.afpnet.org.

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*Penelope Cagney dedicates this book to Nathan Newman,
for all of his support and encouragement.*

*Bernard Ross dedicates this book to George Smith, a wonderful
friend and guide to many nonprofits worldwide—
his words were his gift to us all.*



Foreword

ANDREW WATT, PRESIDENT AND CEO,
AFP INTERNATIONAL

We're inclined to talk as if globalization is a recent phenomenon. That the links we see today, from culture to culture, in global business and entrepreneurship, are something new.

Take a step back from what we read about a flat world for one moment and remember the trade routes from east to west, developing commercial links between China and Rome and all the countries in between, beginning in the pre-Christian era. Think of the way in which the influences of religion, their cultures, science and learning, from Islam, Buddhism, and Christianity, spread along those same trade routes.

Consider the origins of many of the great corporations of the twenty-first century in the global industrialization of the nineteenth—manufacturing, engineering, the exploitation of mineral resources and the operational infrastructure necessary to underpin them—we are not seeing any radical shift in approach to maximizing resources and benefits today.

The differences are differences of scale and resource. New emerging powerhouses of wealth in China, India, and Brazil—and many others besides; a generation of entrepreneurs the like of which has not been seen in more than a hundred years; population growth on an exponential scale and an equivalent growth in social need; technology-supporting connections at the click of a button; technology-supporting trades in a millionth of a second; technology-supporting lightning reactions, both good and bad.

For all the progress, all the growth, the problems that we faced in the nineteenth century of social inclusion, health, education, and political engagement are with us still. Exponential growth has not supported stability in our environment. We have seldom lived in more volatile times, economically or politically and, if ever there was such a thing as a social compact, surely governments are tearing it up as we speak?

There has never been a greater need for the impact that our community, the civil society, can bring. But we have terrifying responsibilities to ensure that our impact is a beneficial one. By its nature, civil society is unstructured, informal. Flexibility and speed of reaction are some of our strengths. But lack of structure, lack of a consistent message and a consistent approach means that our impact is far smaller than it could or should be.

We are responsible, not just for the impact of our own organizations, but for ensuring that our collective impact far outweighs the sum of its parts. We are responsible for working with partners beyond the boundaries of the NGO community—in truth, for creating and shaping a civil society inclusive of governments, the corporate sector, and giving expression to the public voice. We are the enablers—the link that binds these disparate communities together. And we have a responsibility to shape that environment to secure change and the growth of a just and fair society for all.

It's easy to forget, as we go about our daily lives, that there are essential building blocks that we have to develop.

We have to ensure that there is an enabling environment to support the work we do. Like it or not, without the partnership of government in the form of a clear, consistent, and equitable regulatory environment, we cannot begin to achieve a unified and focused community. Look to those arenas where such a thing has yet to exist. In some instances, a morass of inconsistent and diverse regulation, enforced by multiple agencies, ensures chaos and inhibits engagement from those who want to support us most. In others, the lack of clear regulation allows governments to act in an entirely arbitrary fashion, following political objectives of the moment with little or no concern for the impact on society that follows in the wake of their actions.

We can drive professionalism, we can drive awareness of good and bad practice, but without the framework of regulation and the partnership of government, we have a much reduced chance of achieving

the understanding, support, and partnership of the communities in which we live.

Education, at the professional level through training and the resources to be found in books like this, yes, but also education of that greatest of our partners, our public. We have signally failed, over many years, to stand up and engage on the issue of “This is who we are; this is the impact that, with you, we achieve; and this is what it takes to secure that impact.” Communication, engagement, and investment. We have failed again and again in this and yet we still pretend to be surprised at the lack of trust that is so frequently expressed in us and our work. We appear to have no understanding that it is a case of “if not us, then who?” Each of us has the responsibility of making those connections, standing up for our cause, and shouting how we have to support it.

It’s for that reason that I am so glad to see the publication of this book, edited by Penelope Cagney and Bernard Ross.

The themes of the book address the strategic issues—infrastructure, strategy, regulation, and impact—in our rapidly changing and global environment. It also addresses the impact that our ever-increasing battery of tools, knowledge, and understanding has had and how it is being applied to best effect in many different environments around the world.

We can access much of that information for ourselves—using those self-same tools, but I would question whether we are able to interpret it effectively for ourselves. Penelope and Bernard have brought together a group of experts better placed than any others to help us with that interpretation and to highlight the resources that are available to us. Better yet, to highlight experiences from around the globe that we can draw on for inspiration.

More than anything else, this book highlights for me the collective strength that we have as fundraisers—a single community around the globe. We are a community dedicated to ensuring change, to ensuring impact. If there is one thing that we should take away with us, it is that, in the words of Desmond Tutu, speaking to fundraisers in Baltimore in 2010, “This is a noble profession. Yours is a noble calling.”

Remember those words as you read this book and think about what they mean. Our community is more than a profession—we are the very heart of a movement for change.



Acknowledgments

The editors would like to thank the AFP Book Advisory Committee members for their recognition of the rapidly changing world of fundraising and their initiative and foresight in undertaking publication of this book. We would also like to thank our John Wiley & Sons editors, Susan McDermott, Jennifer MacDonald, and Donna Martone, for their wise guidance in this undertaking. We are also grateful to all of the authors who generously contributed their insight and knowledge of philanthropy.

A special thanks from Bernard Ross to his =mc colleagues Clare Segal, Angela Cluff, and Paula Guillet de Monthoux for their help, encouragement, and occasional glasses of wine.

P.C.

B.R.



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