

Ethics, Part 4

Accountability urged for governance, operations.

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By **Todd Cohen** (<mailto:tcohen@ajf.org>)

Nonprofits must be accountable both for how they govern their organization and how they run their business, says Doug Kridler, president and CEO of the Columbus Foundation in Columbus, Ohio.

Governance accountability involves complying with laws and regulations and avoiding problems like conflicts of interest, while business accountability involves "delivering on our promises," he says.

"The only justifiable reason for an organization's existence is worthwhile results," he says, quoting Atlanta-based governance consultant John Carver.

Fundraising professionals say a common and continuing ethical challenge is to meet the needs of donors without hurting the organization.

"We want to be raising the right kind of money," says Mimi O'Brien, director of corporate and foundation relations at Duke University in Durham, N.C. "We don't want to be out chasing something just because it's out there if it's not a good fit for the university."

In working with donors to create gifts, for example, it is not the job of the development staff to make promises the school cannot deliver, says Connie Kravas, vice president for development and alumni relations at the University of Washington in Seattle.

"It's paramount that we realize that the work we are doing is motivated by a philanthropic ethic, not deal-making," she says.

Despite pressure to continually raise more money, fundraisers also should resist the temptation to look for unorthodox ways to count gifts, she says.

Many nonprofits, for example, likely received non-cash gifts such as land long before it as customary to count them, she says, and it would be misleading and wrong to use them now.

And about 10 years ago, when five big universities each received donations of software worth \$30 million on the open market, she says, some of the schools counted the open-market value of the gift rather than the discounted rate for educational institutions.

"You want to have a high-performing program," she says, "but never at the expense of credibility with those you work with."

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