

**Association of  
Fundraising Professionals**

**CODE OF ETHICAL STANDARDS**



## Preface

The Code of Ethical Standards, as revised and approved by the AFP Board of Directors, applies to AFP members (individual and business) and those holding certifications granted or sponsored by AFP while they are engaged in raising philanthropic contributions for nonprofit organizations.

The following guidelines are provided to assist AFP members and others in interpreting and using the Code of Ethical Standards and the Principles. They are intended only as suggestions to help guide thinking about ethical behavior and not as prescriptions for all possible situations.

By its nature, this list of guidelines is an evolving document. It is subject to revision and will reflect practice, laws and regulations as they change. Members are encouraged to use the AFP Fundraising Resource Center for additional basic information as they encounter ethics issues.

In addition, the AFP Ethics Committee will respond to specific questions from AFP members and the public, including government regulators, upon request. Please submit inquiries, marked "Confidential," directly to the AFP President and CEO.

The committee welcomes examples and suggestions that might further clarify the Code. Please send them to the AFP President and CEO, or to [ethics@afpglobal.org](mailto:ethics@afpglobal.org).

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## **Ethical Principles Adopted 1964**

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; and
- ◆ Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

## **Ethical Standards**

### **Adopted 1964; Amended October 2024**

The Association of Fundraising Professionals believes that ethical behavior fosters the development and growth of fundraising professionals and the fundraising profession and enhances philanthropy and volunteerism. AFP members recognize their responsibility to ethically generate or support ethical generation of philanthropic support. Violation of the standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures. 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 as set forth below.

### **Introduction: Our Commitment to Ethical and Effective Fundraising**

The Association of Fundraising Professionals (AFP) is a professional organization whose members believe that philanthropy and fundraising are important aspects of our lives in society. AFP exists to foster the development and growth of both fundraising professionals and the profession itself and to promote high ethical behavior in fundraising practices. The AFP Code of Ethics and its Standards of Ethical Practice inform and govern the behavior of members and are designed to be applied alongside AFP's commitments to member fair behavior practices and IDEA (inclusion, diversity, equity and access).

The Code and Standards have a dual focus: (1) the duties of fundraisers to the organizations and communities they serve and to the donors who support those missions; and (2) the duties of fundraisers in relation to others in the profession and to the wider public.

This Code guides those practicing fundraising (individuals and organizations), and also applies to business members as they support fundraising practices.

### **The AFP Code of Ethics governs AFP individuals, organizations, and business members 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 vision of their organizations, professions, clients, and consciences.
- Put philanthropic mission above personal gain.
- Inspire others through their own sense of dedication and higher purpose.
- Improve their professional knowledge and skills, so 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, treating 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.

- 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 shared by other professional organizations that serve philanthropy.

## **Public Trust, Transparency & Conflicts of Interest**

Fundraisers secure philanthropic support for organizations whose missions respond to community needs and aspirations.

We earn the trust of the public for our work — and ensure its effectiveness — by adhering to the highest standards of integrity, honesty, and respect. In accordance, members are expected to:

### **Standard No. 1**

**Not engage in activities that harm the members' organizations, clients, or profession or knowingly brings the profession into disrepute.**

#### **Guidelines**

- a. Members support and advocate for the mission and goals of their organization.
- b. Members conduct their personal and professional lives recognizing that their actions may be interpreted as representing the organization by which they are employed.
- c. Members respect the wishes and needs of constituents, and do nothing that would negatively impact their social, professional, or economic well-being.
- d. As a best practice, members should state to donors, clients, their organization, and other constituents, that they are bound by the AFP Code of Ethics.

Examples of Ethical Practice:
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1. Decline to participate in activities contrary to the organization's mission and goals.
2. Provide accurate and complete information to constituents regarding projects, programs, or other activities that they might support or endorse.
3. Maintain one's education in philanthropy and fundraising best practices to convey appropriate advice to constituents, the community, and the public.
4. Members with supervisory responsibilities provide education in philanthropy and fundraising

best practices for subordinate staff as appropriate.

Examples of Unethical Practice:

1. Convey false or exaggerated information.
2. Neglect to complete a transaction involving a contribution or pledge as promised.
3. Ignore unethical practices or illegal behavior of others and not report same to organizational leadership or appropriate authorities (e.g., legal, AFP, etc.).
4. Make public comments that are derogatory about leadership or organizational activities.

**Standard No. 2**

**Comply with all applicable local, regional, and national laws and regulations.**

**Guidelines**

- a. Members recognize that compliance with applicable laws and regulations is a clear standard. Nevertheless, laws regarding fundraising are proliferating, and ethical practitioners remember ignorance of the law is no excuse and are alert to new laws and regulations.
- b. Most nonprofit organizations have access to legal counsel, either paid or volunteer. Members consult the legal counsel involved with their own organizations, as needed. Member consultants and suppliers of fundraising services also consult legal counsel regarding their contracts and practices.<sup>1</sup>

Examples of Ethical Practice:

1. Undertake personal responsibility for keeping up with changes in applicable laws and regulations.
2. Recognize that one's employer may not be in compliance with applicable laws due to lack of knowledge and bring this to the attention of appropriate organizational leadership to effect change.
3. Ensure that reports which are a part of regulatory requirements for which the member may

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<sup>1</sup> The AFP Fundraising Resource Center has, in its collection, books and other publications that can be used for general guidance, but are not substitutes for specific counsel.

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have full or partial responsibility are completed accurately and in a timely manner.

4. Maintain appropriate licensure, registration, or certification requirements.
5. File copies of contracts where appropriate.

Examples of Unethical Practice:

1. Have knowledge of a law or regulation, know one's organization is not in compliance, and choose to ignore the need to come into compliance and/or take appropriate remedial action.
2. Complete reports that are a part of regulatory requirements inaccurately or in such a way as to distort organizational outcomes, fundraising results, or fundraising costs.
3. Have knowledge of legal requirements for consulting or other professional practice and fail to comply.

### **Standard No. 3**

**Recognize their individual boundaries of professional competence and responsibility.**

#### **Guidelines**

- a. Members are forthcoming and truthful about their professional experience, qualifications, and role(s) within their organization.
- b. Members state their professional qualifications in a manner that gives a clear and accurate picture of their skills, capabilities, level of expertise, experience, performance, and credentials. (See also standard 13.)
- c. Members clearly describe the parameters of their roles within the larger organization and financial development efforts of any organization with which they have been affiliated.

Examples of Ethical Practice:

1. Be honest and transparent concerning one's duties and responsibilities and practice an ethical approach to obtaining employment and practicing in the field.
2. Correct any misstatement of education, experience, performance, and/or awards, even when not responsible for the error.
3. Recognize roles or competencies which are beyond the scope of one's duties or expertise and refer to qualified colleagues or external experts if needed.



Examples of Unethical Practice:

1. Inflate one's resume.
2. Exaggerate one's role in fundraising results.
3. Omit from one's employment application short tenure or unsuccessful employment.
4. Take credit for the work of others.
5. Indicate on one's resume or other materials that one is licensed or certified by a particular organization or state when one is not.

**Standard No. 4**

**Convey information about programs, products, services, and mission-delivered solutions without misrepresentation.**

**Guidelines**

- a. Members assure, to the best of their ability, that the representations of the programs, services, programs, and/or products which they provide or propose to provide for clients, donors or nonprofit organizations are sufficiently complete and accurate.
- b. Members clearly identify the details of programs, products, and/or services provided to or for clients, nonprofit organizations, or donors such as availability, suitability and/or factors that may affect their availability or suitability.
- c. Members supply products and/or services which are consistent with the representations made to donors, clients, or nonprofit organizations.
- d. Members clearly, transparently, and honestly describe their ability to deliver their products and/or services in a timely and complete manner, as well as other factors that may reasonably affect the suitability or availability of the products and/or services.
- e. As a best practice, business members should state to donors, clients, or nonprofit organizations that their companies are committed to and bound by the AFP Code of Ethics.

Examples of Ethical Practice:

1. Avoid exaggerating or misrepresenting to prospects and donors program results and/or outcomes.
2. Include in product or service sale proposals only representations that are complete and accurate.
3. Omit from interpretive, marketing or sales materials information that may be confusing, inaccurate, or incapable of being documented.

4. Provide reasonable estimates as to the member's ability to deliver the proposed products and/or services within a particular timeframe.
5. Fairly disclose factors such as limitations which may affect the suitability of the proposed products and/or services for the specific donor, client or nonprofit organization involved.

Examples of Unethical Practice:

1. Knowingly overstate the performance capability of a member's programs, products and/or services.
2. Misrepresent the suitability of a member's programs products and/or services for a particular donor, client, or nonprofit organization.
3. Misrepresent the ability of the member or member's organization to deliver products and/or services in a final and complete form by a date certain.
4. Misrepresent the past performance of, or satisfaction of a donor, client or nonprofit organization with, the member's programs, products, and/or services.
5. Knowingly misrepresent the ultimate cost to the donor, client, or nonprofit organization of the member's programs, products, and/or services.
6. Misrepresent facts regarding the donors, clients or nonprofit organizations served by the member's programs, products, and/or services.

**Standard No. 5**

**Establish the purpose and scope of work at the beginning of any contractual relationship.**

**Guidelines**

- a. Members shall enter negotiations on a contractual relationship to provide products, materials, or services openly and transparently.
- b. Members shall comply with all fair and reasonable obligations created by the contract.
- c. Members shall respond in a timely manner to requests for information or clarification from a client, consultant, or provider.
- d. Members will provide an effective method of follow up on the sale and/or implementation of any products, materials or services supplied. Any proposed further charges resulting from this follow up shall be transparently communicated.
- e. Members shall honor the explicit obligations of their contract and work proactively with the client, consultant, or provider to meet any fair and reasonable requests implied by the contract.
- f. Members shall file copies of the contract with all relevant regulatory bodies.

- g. Members shall heed applicable local, regional, and national, contract laws and regulations. (See also Standard 2.)

Examples of Ethical Practice:

1. Take due responsibility for the delivery of goods, products and services as stipulated by the contract and providing the appropriate support mechanisms for these services.
2. Provide, in advance, a proposed contract for the provision or sale of items such as products and/or services to another party.
3. Work in good faith with a donor, client, nonprofit organization, contractor, vendor, or business partner with whom the member has a contractual relationship to resolve perceived failures of performance in a timely manner.
4. Comply with the terms of an agreement without the necessity of a demand by the other party(ies).
5. Respond promptly, clearly and accurately to requests for information.

Examples of Unethical Practice:

1. Attempt to deceive another party(ies) into acting in a manner that exposes the party(ies) to liability under the contract.
2. Convey false or exaggerated information.
3. Change the scope or purpose of a proposed or existing agreement without the knowledge and consent of the other party(ies).
4. Fail to respond to the reasonable inquiries of a party(ies) with whom the member has a contractual relationship.
5. Deceive, by act or omission, the purchasing organization regarding the fees, suitability, or availability of a product or service.
6. Impose or demand obligations, terms, conditions, or any other elements that go beyond the scope of the agreed upon transaction or contract.

**Standard No. 6**

**Refrain from knowingly infringing on the intellectual property rights of other parties.**

**Guidelines**

- a. Members respect all copyrights.

- b. Members do not engage in plagiarism and shall ensure that all materials which they prepare and/or present are original creations, properly cited, or that the member has appropriate approval of the author/owner to use the material.
- c. Members address and rectify any inadvertent infringement that may occur.
- d. Members provide appropriate remedy when inadvertent infringement of the intellectual property rights of others occurs, where such IP rights can reasonably be asserted.
- e. Members adhere to any timelines and/or limitations for usage of intellectual property granted by the owner.
- f. Members do not claim ownership of intellectual property when they know that such property is owned by another individual or entity.

Examples of Ethical Practice:

- 1. Attribute discussion, analysis, presentations, illustrations, graphs, research, conclusions, including but not limited to intellectual or creative property, to the owner(s).
- 2. Properly cite material retrieved from a digital source or generated by digital means, such as any form of generative AI.
- 3. Seek and obtain permission from the originator, creator, developer or owner of any materials used for any purpose.
- 4. Upon discovery of inadvertent infringement of intellectual or creative property rights of others, immediately discontinue use of the infringed property and take appropriate steps to provide notice of the infringement and/or procure permission from owner for continued use.

Examples of Unethical Practice:

- 1. Claim written or other creative material to be one's own when the member knows that is not accurate.
- 2. Fail to do the due diligence to learn the originator, creator, developer, or owner of intellectual or creative property before presenting and/or using and presenting intelligence as the member's own property.
- 3. Copy and paste from any digital source without appropriate attribution.
- 4. Continue use of intellectual or creative property after agreed-upon timeframe or purpose for usage.
- 5. Fail to remove or accurately attribute intellectual or creative property on request of the

owner.

### **Standard No. 7**

#### **Abstain from disparaging competitors.**

##### **Guidelines**

- a) Members ensure that any portrayal of competitors is fair, accurate and can be substantiated.
- b) Members understand disparaging competitors is unprofessional and unethical and reflects badly on both parties and the sector. (See also Standard 1.)

##### **Examples of Ethical Practice:**

- 1. Acknowledge competitors and their programs, products, or services, when asked, by portraying them in a manner which is honest and truthful.
- 2. Respond honestly and fairly to their portrayal by competitors.
- 3. Urge the member's organizations to observe and abide by the AFP Code of Ethical Principles and Standards.

##### **Examples of Unethical Practice:**

- 1. Employ deceit in response to claims by competitors.
- 2. Misrepresent the performance of competitors.
- 3. Disparage a competitor's reputation and capabilities untruthfully.
- 4. Spread unsubstantiated comments about a competitor.

## Standard No. 8

**When stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.**

### Guidelines

- a. Members never knowingly misstate the performance or results of any fundraising effort.
- b. Members recognize that fundraising results are recorded both for external financial and audited statement purposes, and for reporting and donor recognition purposes. Recording for external audited financial purposes must be in accordance with the appropriate AICPA or CICA guidelines<sup>2</sup>, or the requirements of the local legal framework, for the type of institution involved.
- c. Members' organizations have and consistently utilize approved gift acceptance policies which are compliant with appropriate AICPA or CICA guidelines for the solicitation, receipt, recording, and reporting requirements or the requirements of the local legal framework, for the type of institution involved.
- d. Members understand recording for external audited financial purposes must be in accordance with the appropriate financial standards and guidelines, and the requirements of the local legal framework.

Examples of Ethical Practice:
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1. Provide relevant publicly disclosable financial statements or tax returns to prospects, donors or advisors when asked.
2. Develop or abide by organizational procedures to ensure that the accounting for contributions is consistent from year to year.
3. Request donors who have made verbal pledges to sign and date written documentation of their pledge.
4. Disclose the accounting practices used in the financial statements.
5. Use only audited financial results in public announcements or documents such as the annual report.
6. Inform the reader when financial information has been restated or reformatted.
7. Disclose transparently fundraising results as gross or net contributions.

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<sup>2</sup> In the United States, members must conform to the guidelines adopted by the American Institute of Certified Public Accountants (AICPA). In Canada, members must conform to the guidelines adopted by the Canadian Institute of Chartered Accountants (CICA). In countries outside the United States and Canada, comparable authority shall be utilized.

Examples of Unethical Practice:

1. Report as contributions the value, stated, or estimated, of a bequest prior to the distribution of the donor's estate.
2. Report as contributions the face value of insurance policies, whether revocable or owned by the organization, prior to the termination of the policy.
3. Report pledges in the year in which they are made and then counting the payment of the pledges in the years in which the payments are made.
4. Report performance or results of a fundraising effort, such as an event, without accurately reporting costs of the effort.

## Conflicts of Interest

**Potential or actual conflicts of interest can undermine confidence in members, their organizations, and professions. In accordance, members are expected to:**

### Standard No. 9

**Avoid activities that conflict with or may conflict with their fiduciary, ethical and legal obligations to their organizations, clients, or professions.**

#### Guidelines

- a. Members assure all legally binding gift agreements prepared internally are approved by qualified legal counsel.
- b. Members urge their clients to seek independent, qualified counsel regarding any legal or fiduciary obligation that a member proposes.
- c. Members make every reasonable effort to assure that their organization's fiduciary obligations are held to the highest ethical standards and conform to applicable laws and regulations.
- d. Members make every reasonable effort to assure that third party organizations that are appointed to carry out fiduciary obligations on behalf of their organization are held to the highest ethical standards.
- e. Members understand a conflict of interest exists when a member: takes advantage of another person for one's own ends; encourages another person to take action that is to the person's disadvantage or to the disadvantage of that person's family; and, encourages another person to action that would seem, to the reasonable person, contrary to the best interest(s) of the person so encouraged.

Examples of Ethical Practice:

1. Know and, if necessary, inform organizational leadership and/or organizational clients of applicable ethical and legal fiduciary practices.
2. Be prepared to inform and if needed, inform appropriate organizational leadership of any illegal or unethical practices in which their organization may be participating.
3. Develop internal gift solicitation, gift acceptance, and donor stewardship policies that address the legal and fiduciary obligations of the member's organization.
4. Inform donors and prospects that the member is acting in a professional capacity with the express intent of relating the mission and goals of the member's organization to the individual in the hope that the individual will be influenced to accept the value of financial support to the member's organization.
5. Encourage a donor or prospect to seek independent professional advice when including the member's organization in the individual's estate or financial support plans.
6. Encourage a donor or prospect to inform his, her, or their family of the intent to include the member's organization in the individual's estate or financial support plans.
7. Refuse to participate in the structuring of contributions by any prospect or donor who, to the reasonable person, is incapable of making an independent, informed decision.

Examples of Unethical Practice:

1. Influence a donor or prospect to arrange his, her, or their affairs so that the member may personally benefit.
2. Manipulate a donor or prospect who is vulnerable because of age, handicap, infirmity, illness, or emotional or physical impairment or dependence to arrange his or her affairs so that the member or member's organization becomes a beneficiary of the individual's estate or financial support plans.
3. Assume the role of personal friend, confidant, or caretaker in order to influence an individual to include the member or the member's organization in the individual's estate or financial support plans.
4. Fail to seek legal counsel in the drafting of legal contracts such as pledge, endowment, sponsorship, or gift annuity agreements that are proposed to others.
5. Fail to urge others to seek independent legal and/or professional tax counsel regarding planned giving arrangements.
6. Ignore known illegal practices of the member's organization.
7. Encourage others to engage in unethical or illegal transactions.



### Standard No. 10

**Disclose all potential and actual conflicts of interest. Such disclosure does not preclude or imply ethical impropriety.**

#### Guidelines

- a. Members encourage their organizations to adopt policies on conflict of interest.
- b. Members disclose if they or a member of their immediate family have a material interest in a current or potential vendor firm.
- c. Members establish a clear understanding between themselves and their organizations regarding the extent to which members are permitted to engage in outside consulting.
- d. Members disclose any formal relationship they may have with a donor, including relationships formed with that donor through previous employment.
- e. Members understand that effective disclosure includes the sharing of sufficient information to adequately explain the facts so that persons or entities who might be affected by such possible conflicts of interest can make informed decisions.
- f. Members understand the provisions of the IRS “Intermediate Sanctions” regulations in the U.S., or their equivalent in other countries, that apply to persons associated with nonprofit organizations who might also benefit from business or commercial arrangements with the organization.

Examples of Ethical Practice:
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1. Refuse to engage a consulting firm seeking to direct the member's organizational capital campaign after a fundraising staff member reports an offer from that firm of a position once the campaign ends.
2. Members encourage their organizations to decline to accept and/or execute contracts with vendors, professional firms, other or organizations that include a donation to the organization as a part of the proposed agreement or contract.
3. Refuse to accept appointment as an executor or personal representative of a donor's estate.
4. Document in writing any agreement upon the amount of time per month that can be devoted to private consulting.

Examples of Unethical Practice:
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1. Fail to report to one’s employer knowledge of being a beneficiary of a donor’s estate plan.

2. Hold an ownership interest in a vendor firm that provides products to one's employer without reporting such interest to the organization's leadership.
3. Gain knowledge of an unethical fundraising practice within their organization and fail to make the circumstances known, including written documentation, to appropriate organizational executives with the authority to take the necessary corrective action.

### **Standard No. 11**

**Decline personal benefits such as invitations or personal gifts that arise as a result of relationships with donors, prospects, volunteers, or clients.**

#### **Guidelines**

- a. Members assure that the compelling purpose of gift planning is to ensure that the wishes of the donor or the donor's representative are carried out, and that the organization receiving the contribution provides services to constituents that are meaningful to the donor.
- b. Members encourage their organizations to adopt policies prohibiting acceptance of personal gifts from clients, donors, vendors, or other organizations with which the member's organization may have a professional or business relationship, unless they are de minimus, specifically allowed by the organization's policy, may be shared widely among staff, or used in the accomplishment of the mission. (See also Standard 10.)
- c. Members establish and maintain a clear understanding between themselves and donors regarding the professional nature of the relationship on behalf of the organization.
- d. Members refuse to accept, disclose, and document any benefit a donor offers or attempts to offer, including but not limited to estate gifts such as bequest distributions, as well as discourage future behavior.

Examples of Ethical Practice:
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1. Recognize close relationships may be established between clients and/or donors and always maintain appropriate professional boundaries.
2. Decline and document in writing refusal to accept a future or current distribution from a donor's estate.

Examples of Unethical Practice:
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1. Influence a donor or prospect to arrange his, her, or their affairs so that the member may personally benefit.
2. Assume the role of personal friend, confidant, or caretaker in order to influence an individual to include the member or the member's organization in the individual's estate or financial support plans.
3. Accept a gift of more than token value from a donor or financial supporter who became known to the member as a consequence of a member's current or past employment.
4. Accept a bequest from a donor who became known to the member as a consequence of their current or previous employment.
5. Accept or recommend acceptance of a contractual relationship which includes a direct personal benefit or promise of a donation to the organization as a term of the agreement.

## **Solicitation and Stewardship of Philanthropic Funds**

**The solicitation, receipt and stewardship of donations must fulfill the organizations' promise to donors and should be handled with the utmost care and consideration. Honoring donors' wishes is core to the work fundraisers do on behalf of their organizations. In accordance, members are expected to:**

### **Standard No. 12**

**Ensure all development marketing and communications are accurate.**

#### **Guidelines**

- a. Members shall ensure all materials upon which individuals make decisions about supporting the member's organization philanthropically are direct and truthful commensurate with the member's role, responsibility, and authority.
- b. Members shall be straightforward and accurate when describing their organization's mission, needs, programs, goals, objectives, and achievements.

<b>Examples of Ethical Practice:</b>
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1. Communications, including solicitation materials:
2. Include only statements that are accurate and facts that can be documented.
3. Exclude information that may be confusing, inaccurate, or incapable of being documented.

4. Include only verifiable endorsements and/or statements provided to the member's organization by individuals or organizations affiliated with the member's organization.
5. Communications, including solicitation material produced for sponsorship-type organizations (e.g., animal sponsorships, child sponsorships, etc.), clearly and prominently state how the contributions/sponsorships will be used.

Examples of Unethical Practice:
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1. Misrepresent the organization's mission: "The Theater's mission is to make the performing arts available to all citizens of the city," when the reality may be the price of admission excludes the economically disadvantaged and no free performances or scholarships are offered.
2. Misrepresent facts to justify a case for support: "More than 20 homeless runaways are turned back on the streets every night," when, the reality may be, those 20 are absorbed by other agencies.
3. Misrepresent the size, breadth and source of support to validate cause and case: "The overwhelming majority of neighborhood associations feel this need should be met," when the reality may be, presentations at neighborhood association meetings elicited only head nodding from the majority of the audience and no actual vote count.
4. Misrepresent anticipated results in order to elicit an emotional response: "Your contribution will save a life" instead of, "You can help save a life."
5. Misrepresent achievements.
6. Misrepresent intent: "If we do not succeed in this campaign effort, we will have to close our doors," when partial success will allow for continuance with reduced staff.
7. Misrepresent philosophy: "We offer service to all needy citizens regardless of race, creed, or ethnicity," when, in reality, choices are made along ethnic lines.
8. Misrepresent facts about numbers of clients served, demographics of clients served, activities completed, or programs planned.
9. Manipulate children, animals, the ill, the elderly, etc.: For example, "The child in this picture was (born with an in utero addiction) and has a ninety percent chance of becoming an (adult substance abuser and dying before age 35)."
10. Create mailings, digital, or other materials that mimic official government mailings or billing notices through deceptive appearance and content of materials.

**Standard No. 13**

**Ensure donors receive informed, accurate and ethical information about the value and tax implication of contributions.**

### Guidelines

- a. Members with knowledge of the tax or ethical implications of a potential contribution realize the limit of their expertise before advising donors about the contribution and will, as a best practice, include other professionals in the process.
- b. Members always advise donors to seek the advice of their own independent counsel regarding specific implications of contributions including tax and financial implications.
- c. Members avoid practicing law without a license when advising donors about legal instruments.
- d. Members do not draft documents, including legal instruments, obligating donors and nonprofit organizations unless authorized by their organization to do so.
- e. Members ensure that appropriate documentation including tax forms, if applicable, are completed and filed in the event of noncash contributions. They also advise donors of these requirements.

Examples of Ethical Practice:
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1. Inform a donor that certain tax considerations are indicated in a contribution transaction and advise the donor to seek the advice of a qualified financial advisor.
2. Refrain from providing the value of non-cash contributions to donors.
3. Recommend several independent appraisers not connected to the recipient nonprofit organization when a qualified appraisal is required.
4. Include a statement as to the fair market value of services or goods to be received by the donor in exchange for a contribution on all solicitations, tickets, and receipts for special events.

Examples of Unethical Practice:
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1. Tell a donor the value of an appreciated asset without proper, current documentation.
2. Tell a donor the amount of taxes he or she may avoid by making a specific philanthropic contribution without adequate knowledge of tax laws and the donor's financial responsibilities and capabilities.
3. Fail to tell donors their contributions will not be fully tax-deductible when they receive goods or services in return for the contribution.
4. Fail to include the fair market value of services received (dinner, dance, etc.) on material soliciting participation in a special event, and/or omitting including wording that clearly states the

contribution is any amount in excess of the fair market value of the service.

### **Standard No. 14**

**Affirm their primary responsibilities are to their organizations while also safeguarding the interests of the donors.**

#### **Guidelines**

- a. Members understand and affirm any relationship established by the member with a donor or prospect is a business not personal relationship.
- b. Members understand their role(s) in representing their organization in matters such as gift proposals, binding pledge agreements, planned gift proposals or legal transactions where there may be a dispute between a donor and donor relative.
- c. Members ensure the organization's gift acceptance policy clearly protects the interests of the organization while also safeguards the interests of prospects and donors.
- d. Members decline to work with a prospect or donor on a gift which is clearly beyond the mission, scope, or scale of an organization or not in the best interests of the prospective donor.

Examples of Ethical Practice:
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1. Members ensure that the donor understands the relationship established between the prospect or donor and member is a business not personal relationship.
2. If a member has a personal relationship with a prospect or donor, refrain from engaging in gift solicitations, negotiations, recognition, or other related tasks by ensuring they are conducted by another qualified staff member or fundraising volunteer.
3. Members maintain documentation of efforts, including written correspondence, to encourage donors to make their wishes known to their family members and other responsible parties.

Examples of Unethical Practice:
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1. Allow a donor to inappropriately influence organizational direction including but not limited to mission, programs, direction, services, or other operations.

2. Mislead a prospect or donor by presenting the emerging relationship as a personal friendship rather than professional representative of the organization.

### **Standard No. 15**

**Ensure contributions are used in accordance with donor intent and intentions.**

#### **Guidelines**

- a. Members ensure that contributions are used only as specified by the donor.
- b. Members ensure that if a donor is disinclined to support a proposed use, the member confers with the donor to determine an appropriate use that is in keeping with the donor's wishes and the organization's mission. In the event that no mutually satisfactory use can be determined, the member does not accept the donation.
- c. Members ensure that proper documentation outlining the intention and expectation of the donor(s) is provided to all appropriate persons within the recipient organization (i.e., development office, accounting office, program units). This documentation, including copies of all relevant supporting materials, is made a permanent part of the records of such units.
- d. Members review documentation outlined in guideline 'c' above on a regular basis to ensure that those responsible for administering contributed funds continue to adhere to the donor's intentions.

Examples of Ethical Practice:
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1. Develop a gift agreement template for restricted gifts which includes all appropriate terms and conditions, including those required by law.
2. Treat the terms of a document that describes donor restrictions as a contract, subject to applicable laws.
3. Use donor contributions that are restricted in ways consistent with the restriction(s).
4. Decline to use restricted funds for general operating purposes, such as overhead or administrative costs, except when one of the following situations exists:
  - i. the donor has given explicit directions in writing to do so retroactively; or
  - ii. The grant/contribution document expressly includes a provision for general operating purposes, such as overhead or administrative costs.
5. Design internal standard documents, forms, or processes that contain and include all pertinent contribution information that will be completed by the development office and provided to all other appropriate organizational departments and/or staff.

6. Conduct a meeting (held annually or more frequently) of representatives of all appropriate organizational departments to review the status and use of contributed funds and related accounts.
7. Maintain proper documentation and records of all uses to which funds have been put.

Examples of Unethical Practice:
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1. Change an endowed annual lecture series to biannual and using the funds in the interim year for travel by department members to an annual meeting.
2. Accept a contribution for a specific use, (e.g., “pediatric genetic clinical research”) then subsequently eliminating that program and using those funds for another program within the pediatric department without obtaining the consent of the donor.
3. Borrow from restricted funds for purposes other than the restricted purposes.
4. Divert restricted funds given to support administrative costs of a specific program into the general operating budget funds without receiving permission in writing from the donor(s) to do so retroactively.
5. Use contributed funds remaining as surplus after the restriction has been fulfilled/expired without the written consent of the donor.

**Standard No. 16**

**Ensure proper stewardship of donations, including timely reports on the use and management of the funds.**

**Guidelines**

- a. Members provide an annual report to donors. This can be included in a general report about the organization, included in a constituent newsletter, mailing, etc., which is sent to donors or individualized report prepared for a specific donor or donors.
- b. Members shall, to the best of their abilities, ensure that donors of endowment funds receive a report on their funds at least annually.
- c. Members shall, to the best of their abilities, urge their organization to adopt and operate within written policies governing practices such as offering planned gifts, donor recognition, vendor transactions, and investments.
- d. Members, whose scope of responsibility includes working with donors making restricted gifts, develop and follow protocols including but not limited to written agreement guidelines for the use and management of each restricted fund.



Examples of Ethical Practice:

1. Develop and promote good stewardship policies and practices, incorporating sector and organizational best practices, and safeguarding the interests of the donor.
2. Provide and execute gift agreements with the appropriate parties and uphold the agreed upon terms.
3. Provide stewardship updates and/or regular reports to donors reporting the uses, impact and outcomes of contributed funds.

Examples of Unethical Practice:

1. Use restricted funds for purposes other than those specified by the donor.
2. Use endowment funds outside the written terms of the endowment agreement.
3. Misrepresent use of restricted funds (e.g., converting restricted funds from their intended use).

**Standard No. 17**

**Obtain explicit consent from donors, donor successors, or appropriate legal counsel before altering the conditions of previously restricted financial transactions.**

**Guidelines**

- a. Members meet with the donor or the donor's surviving family or representatives to discuss any potential alteration in the original conditions of a contribution.
- b. Members shall, to the best of their abilities, ensure that gift agreements include language which includes, outlines and clarifies the ways in which a donor will permit changes to the prescribed use of an existing gift and the process to be followed in making and confirming any change.
- c. Members shall accurately characterize the nature of a financial transaction with all appropriate parties.

Examples of Ethical Practice:

1. Alter the original conditions of a contribution with appropriate permission (e.g., an organization phases out a program that is being supported from the income of a long-established endowment fund and the donor is now deceased). It is the responsibility of the organization to meet with the family or official representative(s) of the donor, when possible, to inform them of the programmatic change(s), and to solicit their permission to alter the use of

the contribution. In some cases, this may require permission of a court, other government, or regulatory authority.

2. Keep donors aware of potential changes in the mission or organization's plans that may affect the conditions of a restricted contribution.
3. Encourage donors to consider including contingent uses in a gift agreement should the donor's restricted use or organization no longer exist.

Examples of Unethical Practice:

1. Using restricted funds for purposes other than those specified by the donor without the donor's written consent.
2. Using endowment principle outside the written terms of the endowment agreement.
3. Misrepresent or misreport the organization's use of restricted funds (e.g., converting restricted funds from their intended use).

**Standard No. 18**

**Meet the legal requirements for the disbursement of funds received from donors on behalf of non-profit clients.**

**Guidelines**

- a. Members advocate for the creation of policies and procedures that ensure funds contributed to the organization for programs and/or special projects are used in a timely manner, including funds given for restricted purposes.
- b. Members ensure the organization has the capacity to fulfill the intended use prior to accepting a gift. See also standard 17.

Examples of Ethical Practice:

1. Schedule regular reviews with organization program leaders to discuss and monitor how and if disbursed funds are being used for the purposes intended by the donor.
2. Share all relevant gift documentation with appropriate organization partners to ensure all appropriate persons are aware of specific requirements for disbursement of funds.
3. Advise and notify appropriate organizational official(s) if funds are at risk of or have been diverted to an unintended use and document their action.

Examples of Unethical Practice:

1. Use funds for purposes other than what was intended by the donor.
2. Choose not to disburse funds designated meant to support community partnerships or collaborations.

## Donor Privacy

**Giving is a personal choice. In relationships with donors, fundraisers have access to information about individuals and their giving that they must respect. Organizations have an obligation to ensure donors' rights to privacy. This includes but is not limited to data protection standards and list management practices. In accordance, members are expected to:**

### Standard No. 19

**Protect from disclosure confidential information to unauthorized parties as defined by an organization's policies and procedures.**

#### Guidelines

- a. Members ensure prospect and donor information is collected lawfully, used lawfully, and presented factually.
- b. Members do not discuss any information about prospects or donors outside the work environment, and within the work environment only as appropriate.
- c. Members honor and protect donors' rights to anonymity.
- d. Members ensure that prospect and donor information, including payment information, is protected internally as well as with any third party vendors contracted by the organization holding such information.
- e. Members balance the obligation of their organizations to collect, record, and make public information with the right of prospects and donors to privacy.
- f. Members seek and record only publicly available information that is relevant to the fundraising efforts of their organizations. Such information is accurately recorded in an objective and factual manner and verified or attributable to its source.
- g. Members understand all information, including confidential information given to the organization voluntarily by a donor, is the property of the organization for which it is collected

and is not to be given to persons other than those individuals who are involved with the cultivation or solicitation effort, or those who need that information in the performance of their duties for that organization, such as vendors.

- h. Members ensure that information, including research, about prospects and donors is stored securely to prevent access by unauthorized persons.
- i. Members give special protection to all giving records pertaining to anonymous donors. Those donors are informed of the organization's policies regarding access to such information, especially who is to have knowledge of the donor's identity.
- j. Members urge their organizations to develop written policies defining who may authorize access to prospect and donor files and under what conditions.
- k. Members working in large and/or complex organizations such as national organizations with a parent and affiliates/branches/chapters, encourage their organization to adopt and implement a policy as well as inform donors no less than annually about how information is managed including how names and professional information is stored within organizational shared databases as well as the organization's practice for data sharing and use.
- l. Consistent with applicable law, members urge the development of written policies at their organizations defining whether and in what manner to make information public regarding contributions.

NOTE: The provisions of Standard 10 should also be applied as appropriate in conjunction with this Standard.

Examples of Ethical Practice:
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- 1. Maintain only those records and files that members would be willing to share with the subject if asked.
- 2. Assure prospects and donors that these files and records are used only for and by the member's organization.
- 3. Store records and files about prospects and donors in a secure manner to prevent access by unauthorized persons.
- 4. Urge one's organization to develop written policies, based upon applicable laws, defining what information shall be gathered, and under what conditions it may be released and to whom.
- 5. Personally retrieve files pertinent to the day's work and personally return them to the protected site at which they are kept, or close computer programs and electronic documents after use.
- 6. Ensure all staff and volunteers (including those outside the development function) with access to donor information understand the organization's policies and practices regarding confidential donor/prospect information.

Examples of Unethical Practice:

1. Provide a donor's file or digital record to unauthorized individuals or organizations.
2. Share donor information in a collegial or social setting with those not directly involved in the cultivation or solicitation of the donor.
3. Share donor information with friends, relatives and colleagues not involved in fundraising, or in social settings involving volunteers or administrative or professional staff of their organization.
4. Share donor information with unauthorized inquiring family, a former spouse/partner, media, or other parties without the permission of the donor.
5. Instruct an unauthorized staff member to retrieve confidential files or digital record.
6. Treat confidential information casually (e.g., computer programs or electronic documents open, hard copy donor files or copies of checks or credit card on your desk to subject them to view from nonauthorized parties.)

**Standard No. 20**

**Recognize information created on behalf of an organization, including donor and prospect information, is the confidential intellectual property of that organization and may not be taken, shared with, or transferred to other entities.**

**Guidelines**

- a. Members employed by or working on behalf of an organization, shall not transfer or utilize donor and prospect information except on behalf of that organization or client.
- b. Members do not physically or electronically remove or transmit information from the possession of a nonprofit organization or client without prior explicit consent.
- c. Members encourage the nonprofit organization with which they have a professional relationship to develop written policies concerning the confidentiality of their records and the requirements for gaining access to them.
- d. Members will not nor do they imply they can or will transfer or make available privileged information about specific prospects and donors they have learned in the course of work for one organization or client to any other organization or client.
- e. Members respect the wishes of donors as to anonymity and the confidentiality of particular details of specific contributions.
- f. Members understand the relationship between donor and development officer is based upon trust.

- g. Members employed by an organization create communications, marketing, solicitation, and other materials exclusively for that organization and the materials created are the property of the organization not the member. This standard does not apply to information that is in the public domain.

Examples of Ethical Practice:

1. Encourage one's organization to develop board-approved policies covering the development and use of donor records and who may have access to them.
2. Refuse the request of individuals, including board members or appointed officials who asks for lists of donors to one's organization for use by another organization on whose board he, she, or they serve.
3. Clearly state, when interviewing for new employment or presenting a consulting proposal, that donors with whom the member has been previously involved are not portable and will only be involved with the new organization if they are, or can become, through their own personal involvement, part of the new organization's natural constituency.
4. Provide and sign confidentiality agreements with the appropriate parties.

Examples of Unethical Practice:

1. Edit and/or use material created on behalf of a prior employer or client for a new employer or client without permission.
2. Disclose confidential information to unauthorized persons.
3. Provide donor or prospective donor files to another nonprofit, client, or business entity without permission of the owner organization.
4. Approach a nonprofit or a potential or current client with another organization's donor files.
5. Market as an organization's "exclusive" property, lists acquired from other organizations or individuals.
6. Reveal the identity of an anonymous donor to others without the authorization of the donor.

**Standard No. 21**

**Convey to donors and clients that they can request omission of personal information from future organizational use.**

**Guidelines**

- a. Members prioritize respecting the wishes of donors and clients regarding their personal information.
- b. Members encourage the nonprofit organization with which they have a professional relationship to develop written policies and practices regarding the use of donor names and personal information.
- c. Members ensure that donors are informed in accordance with organizational policies and practices.
- d. Members provide clear options for donors and clients to indicate whether or not they want their personal information to be used for organizational communications.
- e. Members make it clear and easy for donors to opt out of future communications and to request the omission of personal information from future use.
- f. Members only collect and/or record information related to advancing the professional relationship between the donor/or prospect and the organization.

Examples of Ethical Practice:

1. Provide regular opportunities for donors and clients to request omission of their personal information from future organizational use such as opt-out checkboxes on donation forms, unsubscribe options in email communications, and clear instructions for requesting data removal (such as on a webpage).
2. Remove donor information from your database upon donor request.
3. Remove donor names and addresses from mail or email lists upon the donor's stated request or when they unsubscribe or opt out.
4. Honor a donor's stated intent not to be solicited by noting this within a donor's file or electronic record to ensure they are not solicited moving forward.

Examples of Unethical Practice:

1. Fail to offer the option for donors to notify the organization of their preferences regarding the collection, storage, and use(s) of personal and professional information.
2. Provide an option for donors and clients to have personal or professional information omitted from organizational records, after which, no action is taken.
3. Recognize a donor publicly in donor listings or feature a donor in an appeal or publication when the donor requested not to be recognized or included.
4. Fail to ensure that all authorized parties within the member's organization who have access to donor information are aware of the donor's desire for their information not to be utilized. (e.g.

Do Not Solicit designation, notes regarding the donors' wishes etc.)

### Standard No. 22

**Convey to donors and clients that they can request omission of personal information from lists that are sold, rented, or exchanged where such exchanges are allowed.**

#### Guidelines

- a. Members encourage the nonprofit organization with which they have a professional relationship to develop written policies and practices regarding the external use of donor names and personal information.
- b. Members ensure that donors are informed in accordance with such policies and practices.
- c. Members make it clear and easy for donors to opt out of mailing lists and communications.
- d. Members whose organizations lease, sell, rent, or exchange their donor lists encourage the authorization of specific agents or employees who can negotiate and sign appropriate contracts for such transactions.
- e. Publicly state the organization's policy regarding the sale, rental, or exchange of donor information.

Examples of Ethical Practice:
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1. Provide, on a regular basis but not less than annually, a written communication asking donors or clients if they wish to have their names and personal information removed from lists that are sold, rented, or exchanged with other organizations. This communication may stand alone or be incorporated within another, broader piece, such as a mailing, newsletter, or annual philanthropic or financial report.
2. Make a good faith effort to remove names from a list upon request, even when names may be on the list in a form different from that on the request for removal.
3. State on the organization's website, event program, or other marketing materials the organization's policy regarding the sale, rental, or exchange of donor information.

Examples of Unethical Practice:
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1. Sell, rent, or exchange names of donors or clients without giving periodic opportunity to have



- their names deleted from such lists.
2. Provide an option for donors and clients to have their names removed from lists to be sold, rented, or exchanged, after which, no action is taken.

## **Fair, Equitable, and Transparent Compensation Practices**

**We believe fundraisers should receive fair and equitable compensation for the work they do in support of organizational missions. In accordance, members are expected to:**

### **Standard No. 23**

**Support fair and equitable compensation, which may include bonuses or merit pay in line with organizational practices but may never be based on a percentage of funds raised.**

#### **Guidelines**

- a. Members accept compensation based upon experience, capabilities, and the time requirements of the engagement.
- b. Members understand percentage compensation is any payment determined by the monetary value of contributions.
- c. Business members refrain from receiving compensation from third parties derived from products or services secured for a client without disclosing that third-party compensation to the client (for example, volume rebates from vendors to business members).\*
- d. Members must not seek, pay, or accept percentage-based compensation or commissions for obtaining philanthropic funds.
- e. Members help the nonprofit organization with which they have a professional relationship to recognize that costs involved in fundraising include staff compensation.
- f. Members who offer contracted services do not receive compensation calculated on a percentage of funds sought or raised (e.g., a member who drafts a grant proposal cannot receive a percentage of that grant if it is awarded).
- g. Members encourage the nonprofit organization with which they have a professional relationship to adopt compensation practices that do not include compensation based on a percentage of funds raised.
- h. Members may accept performance-based compensation under the following conditions:
  - i. The member's organization has a policy and practice that awards performance-based compensation; and
  - ii. The policy has the approval of the organization's governing body; and
  - iii. the policy and practice include, but are not limited to, the member's area of

- responsibility (e.g., are a norm within the organization); and
- iv. The criteria are restricted to mutually agreed-upon, pre-established overall goals; and
  - v. the criteria for determining the eligibility for, and amount of, such compensation shall exclude any consideration of a percentage of contributions. This should be interpreted as an absolute prohibition of any reference to, or use of, a percentage of income to determine compensation, either in effect or actuality.

Examples of Ethical Practice:

1. Refuse to accept any part of one's compensation as a percentage of funds raised or expected to be raised.
2. Recognize the difference between percentage-based compensation and a bonus plan, accepting only the latter should it be part of an organization's regular practices. (See Also Standard No. 24)
3. Promote the principles upon which the guidelines for this standard are based.
4. Urge the nonprofit organization with which they have a professional relationship to avoid paying a third party — such as an attorney, financial planner, face-to-face fundraisers (street solicitors) or provider of such services as direct mail and telemarketing — a fee for service that is a percentage of the value of the related contribution or trust.
5. If working as a contracted services provider, agree in advance to a fixed fee (including any bonus schedule) for services provided, not contingent on a percentage of the funding or grant awarded.
6. Include in the bonus plan's criteria:
  - a. Financial indicators such as cost effectiveness, budget savings, meeting or exceeding dollar goals and increasing the amount of the average contribution.
  - b. Nonfinancial indicators such as ongoing education, attaining diversity, equity, and inclusion goals, management of human resources or achievement of overall unit goals.
  - c. Nonfinancial indicators of productivity, such as donor retention, an increase in the number of volunteers, an increase in the number of contribution renewals and an increase in the number of prospects under management.

Examples of Unethical Practice:

1. Accept percentage-based compensation because an organization lacks sufficient budget, with

the expectation that such will be converted to salary or fee when funds are available.

2. Disguise compensation as salary, fee or bonus when it is, in truth, a percentage of funds raised.
3. Accept a compensation package in which a part is salary or fee and the balance is to be made up of a percentage of the funds to be raised.
4. Accept a bonus plan that includes in its criteria a percentage of the funds raised.
5. Accept performance-based compensation developed and approved after the fact (e.g., after the end of the fiscal period)

Refer to AFP's Percentage-Based Compensation Position Paper available in the Ethics section of the AFP website ([www.afpglobal.org/frequently-asked-questions-faqs-about-fundraising-ethics](http://www.afpglobal.org/frequently-asked-questions-faqs-about-fundraising-ethics)).

**Standard No. 24**

**Decline receiving or paying finder's fees, commissions, or compensation based on a percentage of funds raised.**

**Guidelines**

- a. Members recognize that there are three primary principles underlying this standard:
  - i. Philanthropic giving is a voluntary action for the public benefit.
  - ii. Seeking or accepting philanthropic contributions should not provide personal gain to anyone.
  - iii. Donors and potential donors must be protected from pressure or coercion.
- b. Members understand commission or percentage compensation is any payment based on the dollar value of contributions.
- c. Members understand a finder's fee is a fee paid to an individual for introducing an individual donor to a nonprofit organization.
- d. Members understand a finder's fee should not be paid to an individual on the basis of the size of a donation secured.
- e. Members shall discourage the nonprofit organization with which they have a professional relationship from paying finder's fees, commissions or percentage compensation based on contributions.
- f. Members understand it is acceptable to negotiate a fee for service based on the work carried out by an individual, where that fee has no relation to the subsequent size of a gift, or the outcome of the solicitation efforts.
- g. Members understand bona fide transaction fees are not subject to this standard. Transaction fee(s) include fees for credit card processing, stock transfers, electronic funds transfers, real estate sales commissions, direct mail lock box services, and processing Internet transactions.

Examples of Ethical Practice:

- 1. Refuse a contribution if it involves the payment of a finder's fee or could be perceived as such. Explain clearly the reasons for such refusal, and encourage the parties involved to find a way to make the donation without the payment of a finder's fee.
- 2. If offered inclusion in a donor's estate plan, help a donor, estate planner, or counselor understand that a contribution or bequest is to be given to benefit the organization receiving the contribution, or a cause embodied therein, and not to benefit individuals.
- 3. Establish clearly in advance any fees payable for donor solicitation efforts and ensure that such

fees are not based on a percentage of contributions.

Examples of Unethical Practice:

1. Pay a finder's fee based on percentage contributions to an individual for identifying a donor or recipient organization.
2. Establish a remuneration plan which pays a percentage of donations made.
3. Suggest to someone that he or she might ask for a fee for making a match.
4. Pay a percentage finder's fee for the purpose of securing a donation.
5. Such as paying a percentage finder's fee for obtaining a corporate sponsorship.

**Standard No. 25**

**Refrain from offering or accepting payments or special considerations for the purpose of influencing the selection of products or services.**

**Guidelines**

- a. Members understand the offer or acceptance of payments, special consideration, or kickbacks for the purpose of influencing the selection of products or services can undermine or damage an organization's mission and/or brand.
- b. Members understand offering or accepting personal inducements for the purpose of influencing the selection of your services is unethical.
- c. Members understand the offer or acceptance of payments or special consideration for the purpose of influencing the selection of products or services potentially undermines an organization's mission.
- d. Members may not seek personal inducements such as payments or kickbacks, for selecting or renewing a business, firm or contractor's services.
- e. Members may not offer personal inducements such as payments or kickbacks, to prospective clients, or renewing clients for selecting or renewing a business, firm or contractor's services.
- f. Members must not enter into an agreement with prospective clients who require personal inducement such as payments or kickbacks, as a condition for the business.
- g. Members understand "customer loyalty programs" (such as hotel points or airline miles) are exempt provided that they are widely and transparently available to all customers.
- h. Members are aware this standard and the AFP Code do not apply to business to business relationships (e.g., Business A pays an incentive to a 3rd party marketer or a sales representative to generate business leads).

- i. Members encourage and promote transparency of all transactions with nonprofit organizations and their vendors.

Examples of Ethical Practice:

1. Refuse an inducement, special consideration or kickback, not available to all prospective customers, if it is offered by a member or any other party to influence the selection of products or services.
2. Not accept business from a client who asks you to directly or indirectly provide them with contingent compensation of any kind (e.g. monetary, vacations, job offers, etc.)
3. Help a vendor, marketer or other seller understand that all transactions with a nonprofit organization are to benefit the organization and its beneficiaries and not to benefit individuals employed or volunteering for the nonprofit organization.
4. Include in the member's organization's sponsorship solicitations a statement that providing a sponsorship in no way guarantees a future business relationship.

Examples of Unethical Practice:

1. Pay a gratuity, offer a gift, or a kickback to someone for identifying or choosing a particular product or service.
2. State either directly or indirectly that selection of your services or products will benefit the client with a monetary or non-monetary fringe benefit.
3. Suggest a member might look favorably upon a certain product or service in light of the offer of a suitable inducement, special consideration or kickback.
4. Accept a payment, gift, or kickback in return for recommending a particular product or service to one's organization.
5. Characterize revenue intended as payment in exchange for a product or service, as a gift.
6. Require partners who receive funds from regranting opportunities to sponsor or provide a rebate back to the granting organization for the privilege of receiving a grant.

## APPENDIX A

### AFP Ethics Enforcement Powers and Procedures

Anyone may file an ethics query or complaint alleging violation of the AFP Code of Ethical Standards (Code) by an AFP member or person holding an AFP-sanctioned credential, whether or not the person lodging the complaint is a member of AFP. AFP considers all inquiries about actions of members to be strictly confidential. Before filing a complaint or ethics query, you may call and have a conversation with the Senior Executive Assistant to the President/CEO of the AFP Global Headquarters to see if you wish to proceed.

An ethics query is a means for inquiring whether or not a practice warrants filing a complaint alleging a violation of the Code, and to request assistance from the AFP Ethics Committee to resolve an issue or practice of concern without invoking the formal Code enforcement process. The goal is to bring about improvement in professional practice without having to resort to enforcement proceedings. An ethics query may be lodged via a confidential letter or memorandum to the office of the AFP President and CEO identifying the person against whom the ethics query is lodged and describing the incident or practice that is of concern.

A complaint is a formal allegation of violation of the AFP Code of Ethical Standards. Formal complaints must be made on the complaint form and signed. The filing of a complaint initiates the Code's enforcement procedure. If a complaint is filed, AFP requires complaining parties to agree that, upon request of the Ethics Committee, the complainant will give personal testimony in the presence of the member against whom the complaint is lodged.

Once a complaint is filed, it is reviewed by the Ethics Committee. If the Committee finds that the complaint alleges a violation of the Code and is supported by sufficient documentation, the Committee chair sends written notification of the complaint to the person against whom the complaint is lodged requesting the member to respond in writing to the complaint.

If the person against whom the complaint is lodged responds to the complaint, the Ethics Committee reviews the information presented in the response. If the Committee determines that there are grounds to support a charge of violation of the Code and that efforts to persuade the person to cease and desist have failed, the Committee may decide to hold a hearing to (1) determine whether a violation of the Code has occurred, and (2) decide what disciplinary action, if any, is appropriate.

Penalties for violation of the Code can include:

- **a letter of reprimand;**
- **a letter of censure and prohibition against holding Association and chapter office in AFP;**
- **suspension of membership in AFP for a stated period; and**
- **permanent expulsion from AFP membership, including withdrawal of any AFP-sanctioned credential.**

*AFP considers all communications and records regarding questions of ethical misconduct to be strictly confidential.*

## APPENDIX B

### Principles and Roles in the Ethics Enforcement Process

*The fundamental goal of the procedures for enforcing the AFP Code of Ethical Standards is to eliminate unethical behavior, not to impose punishment.*

The procedures for compliance adopted by the AFP Board of Directors on November 6, 1992, as amended, define the role of the chapters as educational and assign enforcement to the AFP Ethics Committee.

The procedures provide a process for receiving, investigating and adjudicating allegations of violation of the Code made against any AFP member or other person holding an AFP-sanctioned credential, and provide a process that is fair, responsible, confidential and consistent. The procedures are designed to protect AFP members from unfair allegations and to protect Association and chapter AFP officers and staff from personal liability in cases alleging unethical conduct.

The procedures reflect seven fundamental principles:

1. *To be considered, an allegation of violation of the Code must be made in writing and signed by an individual.*
2. *The written query or complaint must be filed with the office of the President and CEO, AFP Global Headquarters for consideration by the AFP Ethics Committee. The written complaint must be received on the complaint form available upon request from the office of the President and CEO, AFP Global Headquarters; a query can be in the form of a letter, a phone call or other means such as email.*
3. *Complaints and queries can be made/alleged only against AFP members or a person holding an AFP-sanctioned credential. AFP can take no action against persons, businesses, or organizations who are not either AFP members or holders of an AFP-sanctioned credential.*
4. *Laws takes precedence over ethical misconduct. If, in AFP's judgment, an allegation entails a violation of law or breach of contract, the AFP Ethics Committee may in its discretion refer the matter to the appropriate legal channels for resolution or remedy.*
5. *The role of AFP chapters in the ethics process is to educate members about ethical issues and standards, the Code and the AFP enforcement procedures in general. It is not the chapters' function to screen, adjudicate, review or advise in specific situations. Chapter boards should not be involved in specific discussions of possible or alleged Code violations. AFP does not want any chapter, chapter officer or individual to be sued.*
6. *Chapters have no formal or informal role in the processing or adjudication of complaints.*
7. *Chapters should focus their action on ethical issues, standards and education. It is suggested that chapters consider using the title "Ethics Education Committee" rather than "Ethics Committee" for their own committees. Education on legal or legislative issues is not the proper concern of a chapter's Ethics Education Committee. The AFP Ethics Committee seeks to vigorously reinforce a distinction between legal questions and ethical standards of professional practice.*



## APPENDIX C

### How to Register a Query about a Possible Violation of the Code

1. Write a letter explaining the concern; include identification of the AFP member involved.
2. Send signed query and a copy of any backup information corroborating your concern in a *sealed* envelope marked CONFIDENTIAL to:

President and CEO  
Ethics Office  
Association of Fundraising Professionals  
4200 Wilson Blvd., Suite 480  
Arlington, VA 22203

### How to File a Formal Complaint Alleging Violation of the Code

1. Request a complaint form from the office of the President and CEO. Forms may be requested by telephone, fax or mail.
2. Fill out the complaint form completely and sign it. Be sure that the description of alleged unethical conduct is clear and complete. The complaint must be filed within three years of the alleged ethical misconduct.
3. Send the signed form and a copy of any backup information corroborating your allegation in a *sealed* envelope marked CONFIDENTIAL to:

President and CEO  
Ethics Office  
Association of Fundraising Professionals  
4200 Wilson Blvd., Suite 480  
Arlington, VA 22203

**APPENDIX D**

**CONFIDENTIAL**

**AFP COMPLAINT FORM: ALLEGATION OF ETHICAL MISCONDUCT \* \* \***

**ALLEGED OFFENDER**

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

AFP Chapter (if known): \_\_\_\_\_

**ALLEGED OFFENSE**

Please specify the alleged violation of the *AFP Code of Ethics* and, identify the specific *Standard* that is alleged to have been violated:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date of alleged offense: \_\_\_\_\_

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**\*\*\* Any individual may file an allegation of ethical misconduct against an AFP member. To be considered, this form must be completed in full and signed by the person lodging the complaint. Complaints must be filled within three years of the alleged ethical misconduct. This form and the information contained herein will be considered strictly confidential by AFP, but may be disclosed to the alleged offender as part of the ethics review process.**

**COMPLAINANT**

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Are you an AFP member? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, what is your member ID number? \_\_\_\_\_

Chapter affiliation? \_\_\_\_\_

**PLEASE SIGN AND DATE THIS DOCUMENT**

I affirm that, to the best of my knowledge, the information above is true, accurate and complete.

\_\_\_\_\_

Signature of Complainant

\_\_\_\_\_

Date

**VERY IMPORTANT: Mark your envelope CONFIDENTIAL and return this form to:**

President and CEO  
Association of Fundraising Professionals  
Attn: Ethics Office  
4200 Wilson Boulevard, Suite 480  
Arlington, VA 22203

## **APPENDIX E**

### **THE ROLE OF THE AFP ETHICS COMMITTEE**

The committee views itself as a vehicle through which AFP promotes responsible and ethical behavior by its members and those holding AFP certification. To that end, the committee undertakes to:

- Educate members and other professionals about the code.
- Educate members about ethical issues within the profession.
- Function as resource to AFP and its members and to the public in matters of ethical behavior.
- Develop and recommend standards that address evolving issues affecting ethics within the field.
- Refine the code and professional standards as necessary and appropriate.
- Act as role models for adherence to the code.
- Educate, in cooperation with appropriate AFP committees, the public about the code and ethical practice within the field.
- Encourage compliance with the code.
- Receive and respond to queries concerning ethics within the profession and the independent sector.
- Receive and respond to complaints alleging violation of the code.
- Effect resolution of queries and complaints through education and persuasion whenever possible.
- Sustain acute awareness of the implications of committee action on members, complainants, philanthropy, AFP, the profession and the public.
- Provide a fair and responsible hearing to both complainant and individual reported in violation of the code.
- Render judgment based on facts and supporting materials presented.
- Apply sanctions fairly and consistently based on board approved policy.
- Maintain confidentiality about queries, complaints, and hearings.
- Refrain from participation in cases that constitute personal conflict of interest.
- Act as complainant when necessary.
- Maintain as much independence within AFP as necessary for objectivity.

Committee members are expected to attend 75% of all committee meetings in person or by conference call. Members must also attend a required 90-minute New Member Orientation before starting their term of service.

## APPENDIX E

### GLOSSARY

**charitable**, *adjective* **1a** giving to those in need. **1b** giving for benevolent purposes. **2a** for or pertaining to charity. **2b** for or pertaining to a charity or charities.

**charity**, *noun* **1** that which is given in willingness to aid those in need. **2** a not-for-profit organization or institution that is active in humanitarian work and supported entirely or in part by gifts. **3** generous giving; benevolence.

**commission**, *noun* payment based on the number of or dollar value of transactions. Also, **percentage compensation**.

**conflict of interest**, *noun* **1a** an existing or potential conflict arising when a person holds an interest in a company that does business with his or her employer. **1b** such a conflict between the private interests of a person who is in a position of trust, such as a corporate or government official or a board member.

**contract**, *noun* an enforceable agreement, between two or more parties, specifying mutual obligations.

**contingent fee**, *noun* any fee for services provided where the fee is only payable if there is a favorable result.

**contribution**, *noun* the act of contributing. Also, **donation**; **gift**.

**donation**, *noun* **1a** the act of donating. **1b** the amount or thing donated. **2** a transfer of cash or other assets to an entity or a cancellation of the entity's liabilities in a voluntary, nonreciprocal transfer by another entity. Also, **contribution**; **gift**.

**donee**, *noun* a person or organization that receives a gift.

**donor**, *noun* a person, organization, corporation, or foundation that makes a gift.

**finder's fee**, *noun* a fee paid to a third party for bringing together two or more people or companies in a transaction, as in the borrowing or lending of money.

**fiduciary**, *noun* **1** a person, such as a trustee or executor, responsible for the affairs or the estate of another person (such as a beneficiary or donor) or organization. **2** a person, such as a company director or an agent of a principal, who stands in a special relation of trust, confidence, or responsibility to another or others. *adjective* **1a** of or pertaining to a person who holds something in trust for another. **1b** held in trust. *adverb* fiducially.

**fundraising**, *noun* the raising of assets and resources from various sources for the support of an organization or a specific project. *adjective*, fundraising, fund-raising.

**gift**, *noun* = donation. *verb* [with object] to endow or present with a gift. Also, **contribution**; **donation**.

**intellectual property** *noun* property (as an idea, invention, or process) that derives from the work of the mind or intellect; *also*, an application, right, or registration relating to this.

**nonprofit**, *adjective* that pertains to or provides services of benefit to the public without financial incentive. A nonprofit organization is qualified by the relevant regulatory body (e.g., the Internal Revenue Service, the Canada Revenue Agency, etc.) as a tax-exempt organization. Also referred to as **not-for-profit**.

**percentage compensation**, *noun* = commission.

**philanthropy**, *noun* goodwill to fellow persons; *especially*: active effort to promote human welfare.

**prospect**, *noun* any potential donor whose linkages, giving ability, and interests have been confirmed.

**revenue**, *noun* **1a** money coming in (such as a contribution); income. **1b** a single item of income.

**solicit**, *verb* [with object] **1a** to ask (a person or group) for a contribution of money, resources, a service, or opinion. **1b** to request or try to acquire (such a contribution). *verb* [no object] to make a request or appeal as for such a contribution. *noun* solicitation.

**transaction**, *noun* **1**. The act of transacting or the fact of being transacted. **2**. Something transacted, especially a business agreement or exchange.