

8. ADOPT ETHICAL STANDARDS FOR RAISING FUNDS

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CULTIVATING TRUST: THE DONOR BILL OF RIGHTS

A DONOR BILL OF RIGHTS

DEVELOPED BY:



Association of Fundraising
Professionals (AFP)



Association for Healthcare
Philanthropy (AHP)



Council for Advancement and
Support of Education (CASE)



Giving Institute: Leading
Consultants to Non-Profits

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 judgment 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.

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LAYING THE FOUNDATION

Understand and apply the first five rights from the AFP Donor Bill of Rights to strengthen trust, transparency, and donor relationships.

SUMMARY OF RIGHTS TO BE COVERED:

1. *To be informed of the organization's mission, how it intends to use donated resources, and its capacity to use donations effectively for their intended purposes.*
2. *To be informed of the identity of those serving on the organization's governing board and to expect the board to exercise prudent judgment in its stewardship responsibilities.*
3. *To have access to the organization's most recent financial statements.*
4. *To be assured that their gifts will be used for the purposes for which they were given.*
5. *To receive appropriate acknowledgment and recognition.*

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DONOR BILL OF RIGHTS #1:

"To be informed of the organization's mission, the way the organization intends to use donated resources, and its capacity to use donations effectively for their intended purposes."

Be Informed of Mission and Intended Use

Transparency helps donors grow confidence. Donors need clarity, just like plants need light. Inform them how donations are used, your mission, leadership, and financial integrity.

Scenarios

Supports the Right

A church member donates \$5,000 after receiving a detailed letter from the pastor outlining a new youth ministry initiative. The letter explains the church's mission to engage young people and how the funds will specifically support leadership training, outreach events, and devotional materials. Later, the donor receives a report and photos showing how the funds were used.

Violates the Right

A parent donates to the school after being told the gift would help "improve student life." The donor later discovers the funds were used to repaint the administrative offices rather than enhance student programs. No financial breakdown or explanation was ever provided.

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DONOR BILL OF RIGHTS #2:

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

Know Who Is Asking

Identity matters. Garden labels tell us what's growing. Donors should know who solicits the gift and whether the solicitor is a volunteer, an employee, or a professional.

Scenarios

Supports the Right

During the school's fall fundraiser, the principal shares a printed program with a welcome letter from the school board chair and a complete list of board members. At a donor breakfast, board representatives answer questions and describe how they ensure accountability and financial transparency. Donors feel confident knowing who provides oversight and how decisions are made.

Violates the Right

After hearing rumors about poor financial decisions, a longtime church member asks who serves on the school board. The pastor says, "That information isn't publicly available." No names are listed on the website or bulletin, and no one seems to know how decisions are made or who is responsible.



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DONOR BILL OF RIGHTS #3:

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

Financial Transparency

Donations thrive with honest reporting. Water containing harmful chemicals can harm or stunt plant growth, just as good water can cause plants to thrive. Accurate and easily understandable financial reports and donor accountability keep things clean and transparent.

Scenarios

Supports the Right

At the church's annual business meeting, the treasurer distributes a clear financial report outlining all ministries' income, expenses, and fund balances. A donor who gave to the school's scholarship fund can review how funds were allocated. Copies of the financial statements are also available upon request and are posted in the church newsletter.

Violates the Right

A school supporter asks for a copy of the previous year's financial report to understand how scholarship funds are used. The office staff says it's "unavailable to the public," and the principal avoids providing a clear response. No financial updates are provided at school board meetings or donor events.



DISCUSSION

- *What happens in a garden when plants are not labeled, but begin to grow?*
- *Who are the leaders in the church or school?*
- *Do you agree that wise and visible leadership builds trust? Why or why not?*

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DONOR BILL OF RIGHTS #4:

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

Right to Choose Gift Purpose

Donor intent guides giving. Let donors direct how their gift is used—restricted or unrestricted. Respect their intent, even if it means planting a specific seed. However, it is essential to understand their intent before accepting the gift, and their expectations must align with the mission.

Scenarios

Supports the Right

A church member donates \$2,000 for the children's Sabbath School classroom remodel. A few months later, the church sends a thank-you letter with before-and-after photos of the completed project and a financial summary showing how the funds were used.

Violates the Right

A donor gives \$1,000 to the school's music program to help buy new instruments. However, facing a budget shortfall, the school quietly redirects funds to cover utility bills. Months later, the donor finds out and is disappointed that their gift didn't support the program they care about.



8.17

DONOR BILL OF RIGHTS #5:

"To receive appropriate acknowledgment and recognition."

Acknowledgement and Recognition

Appreciation nourishes ongoing giving. Just as plants need warmth and water to grow, donors require sincere, timely, and specific thanks to feel valued. There are many ways to acknowledge a gift; the more tailored it is to the donor, the better. One effective method is to demonstrate how the gift was used by sharing a story or showing a short video.

Supports the Right

After donating to help fund new playground equipment, a school supporter receives a personalized thank-you letter from the principal within a week. The letter includes photos of the playground in progress and a note from a student expressing appreciation. At the end-of-year assembly, the donor is also publicly thanked (with their permission) and given a small token of appreciation.

Violates the Right

A church member donates a significant amount to help fund a youth mission trip. Months go by without acknowledgment—no thank-you note, public mention, or updates. The donor wonders if the gift was even received or made a difference.



DISCUSSION

- Like good water, do you agree that good financial stewardship requires openness?
- What are the ways we currently provide financial transparency? Are they accessible? Why or why not? What can we do to change this?

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ADAPTED DONOR BILL OF RIGHTS #6 – #10

The final five donor rights focus on professionalism, transparency, and respect—critical qualities for sustaining donor relationships. Today we'll walk through rights 6–10 and explore how we protect donor dignity and foster honest communication."

RIGHTS COVERED:

6. To be assured that information about their donation is handled with respect and confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
9. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.



8.19

DONOR BILL OF RIGHTS #6:

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

Right to Privacy

Boundaries protect trust. Gardens need boundaries or fences to keep out four-legged pests. Donor information must be protected and never shared without consent.

Supports the Right

A church member donates to the church's building fund and requests that their gift remain anonymous. The treasurer records the donation confidentially, and during the next church board meeting, only the total amount received is reported—no names are mentioned. The member later receives a private thank-you letter, reaffirming that their wishes for anonymity have been honored.

Violates the Right

In a parent meeting, a school staff member casually announces that "Mrs. Thompson gave \$5,000 for the library upgrade," even though Mrs. Thompson had not given permission to make her gift public. She's embarrassed and upset that her private gift was disclosed without her consent.



DISCUSSION

- What is your organization's current policy on donor confidentiality?
- Is it too restrictive and not allowing donors to be acknowledged and thanked?
- How can you change this?

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DONOR BILL OF RIGHTS #7:

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

Right to Professionalism

Professionalism is like using well-maintained garden tools. When fundraisers act with care, integrity, and preparedness, donor relationships grow. When they act casually or unethically, trust is harmed. Measured, consistent conduct allows trust to take root and generosity to flourish.

Supports the Right

A donor visits the school and is warmly welcomed by the development director. The director clearly explains how the funds will be used and answers all questions respectfully. The conversation focuses on the mission and avoids pressure or personal opinions. The donor leaves feeling appreciated and professionally engaged.

Violates the Right

A church staff member visits a long-time member at home to talk about a potential gift. Instead of having a respectful conversation, the staff member pressures the donor to give immediately, and jokes about who gives the most at church.



8.21

DONOR BILL OF RIGHTS #8:

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

Right to Know

Transparency is foundational to trust, accountability, and ethical fundraising. When donors clearly understand who is asking for money and why, they can make informed decisions and feel confident that their generosity is being handled with integrity.

Supports the Right

A church capital campaign sends out a letter signed by the campaign chair, clearly stating: "I am a volunteer working alongside our pastoral staff to raise funds for our new fellowship hall." Later, at a fundraising dinner, the Pastor introduces the speakers by name and role, clarifying which are volunteers, staff, or contracted professionals.

Violates the Right

A parent receives a phone call asking for a donation to the school's annual fund. The caller doesn't say who they are or how they're affiliated with the school. Later, the parent finds out the caller was a paid telemarketing firm hired by the school—something they were never told.



DISCUSSION

- *Colossians 3:23-24 "Whatever you do, work at it with all your heart, as working for the Lord..." Does professionalism reflect God's character in service?*

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DONOR BILL OF RIGHTS #9:

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

Right to Opt Out

Respecting the donor's decision builds trust, just as pruning at the right time and for the right reason helps the plant maintain health and yield a bountiful harvest. Donors have the right to say no, opt out, or be removed from mailing lists.

Supports the Right

A donor receives the school's annual giving appeal and notices a clear statement at the bottom: "We do not share your information, but if you would like to opt out of future mailings or remove your name from our directory, please contact us." The donor calls the office and is promptly removed from the shared alum list, with confirmation sent by email.

Violates the Right

A church member begins receiving marketing emails from a Christian publishing company. After some digging, they learn their name was shared through a partner ministry list that included all donors. The church never asked for permission or offered an opt-out option in their communication.



8.23

DONOR BILL OF RIGHTS #10:

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

Right to Ask Questions

Open dialogue promotes healthy relationships. Good gardeners ask questions to improve. Donors should feel welcome to ask anything and receive honest, prompt answers.

Supports the Right

Before making a significant gift to support new technology in classrooms, a school donor asks how the funds will be used, who will manage the purchases, and when implementation will begin. The advancement director responds within a day, provides a clear budget breakdown, and invites the donor to tour a pilot classroom in progress.

Violates the Right

A church member expressed interest in donating to the youth program and emailed the treasurer asking how the funds would be allocated. Two weeks passed with no reply. When the member finally speaks to a staff member in person, the response is vague and dismissive: "Just trust us—it'll go to a good cause."



DISCUSSION

Proverbs 25:17 "Let your foot be seldom in your neighbor's house, lest he have his fill of you and hate you." How can this be applied to respecting the right of people to have their name removed from a contact list?

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DONOR BILL OF RIGHTS

Instructions: Choose the best answer for each question.

1. Donors have the right to be informed about:

- A. The personal beliefs of the organization's board members
- B. How the organization intends to use their donations
- C. Internal office politics

2. Donors have the right to expect that their gifts will be:

- A. Publicly disclosed regardless of preference
- B. Spent immediately
- C. Used effectively and for the purposes they were given

3. Donors have the right to know the identity of:

- A. The fundraising consultant's salary
- B. Any individual or organization asking for their gift
- C. Other donors

4. Donors are entitled to receive:

- A. Investment advice from the fundraising team
- B. Tickets to organizational events
- C. Financial transparency through up-to-date reports

5. Donors have the right to receive:

- A. Appropriate and timely acknowledgment and recognition
- B. A gift in return of equal value
- C. Exclusive benefits before donating

6. A donor's personal information should be:

- A. Shared with partner organizations
- B. Publicly listed unless they opt out
- C. Handled with respect and kept confidential

7. Donors have the right to:

- A. Dictate staff salaries
- B. Choose how their gift will be used
- C. Receive a tax refund directly from the nonprofit

8. Donors have the right to know whether those soliciting gifts:

- A. Are volunteers, staff members, or paid solicitors
- B. Are related to the executive director
- C. Received commission on gifts

9. Donors are entitled to:

- A. Challenge tax law
- B. Ask questions and receive prompt, truthful answers
- C. Sit in on board meetings

10. Donors must be given the opportunity to:

- A. Sign lifetime giving contracts
- B. Remain anonymous only if giving over a certain amount
- C. Have their name removed from mailing lists upon request

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THE JOURNEY BEGINS

Ethics in Action

This section walks you through the AFP Code of Ethical Standards—a foundational framework that guides fundraising professionals worldwide. These 25 standards ensure that our practices align with transparency, integrity, and respect.”

OVERVIEW OF THE CODE

The AFP Code of Ethics is grouped into four categories:

1. *Public Trust, Transparency and Conflicts of Interest*
2. *Solicitation and Stewardship of Gifts*
3. *Confidential and Proprietary Information*
4. *Compensation, Bonuses, and Finder's Fee*

These categories encompass the various dimensions of ethical fundraising, including communication, solicitation, financial stewardship, and professional conduct. Here is an adapted version for churches and schools of the AFP Code of Ethics:

Public Trust, Transparency & Conflicts of Interest

- Act with integrity; don't harm your organization, donors, or the profession.
- Avoid activities that conflict with your fiduciary, ethical, or legal duties.
- Disclose all real or potential conflicts; disclosure itself isn't misconduct.
- Never exploit relationships for personal or institutional gain.
- Follow all applicable laws.
- Be truthful about services/products; set clear contract terms and stay responsive.
- Respect others' intellectual property.
- Protect confidential information.

Solicitation & Stewardship of Gifts

- Keep fundraising materials accurate and aligned with the mission and stated uses.
- Give donors informed, accurate guidance (including tax implications).
- Use contributions exactly as donors intend; obtain explicit consent before any change.
- Provide timely, transparent stewardship and reporting on all funds.

Confidential & Proprietary Information

- Do not disclose confidential information to unauthorized parties.
- Donor/prospect data created for the organization belongs to the organization.
- Offer donors the option to opt out of having their names shared or rented.
- Report results using accurate and consistent accounting in accordance with recognized standards.

Compensation, Bonuses & Finder's Fees

- No percentage-based pay, commissions, or finder's fees tied to contributions.
- Performance bonuses are acceptable only if consistent with organizational policy and not based on gift percentages.
- Do not offer/accept payments or special considerations to influence vendor selection.
- If you temporarily hold funds for a donor/client, disburse them legally and promptly.

Ethical fundraising embodies faithful stewardship. By upholding these principles, we foster trust, encourage generosity, and honor God through the ministry of giving.

The adapted AFP Code of Ethics for Church and School Fundraising, offers a faith-aligned ethical framework for development officers, administrators, volunteers, and leaders involved in fundraising, stewardship, and donor relations.



CODE OF ETHICAL STANDARDS

ETHICAL STANDARDS (Adopted 1964; amended Oct 2014)

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 as provided in the AFP Ethics Enforcement Procedures. AFP members, both individual and business, agree to abide (and ensure, to the best of their ability, that all members of their staff abide) by the AFP standards.

PUBLIC TRUST, TRANSPARENCY & CONFLICTS OF INTEREST

Members shall:

- 1 not engage in activities that harm the members' organizations, clients or profession or knowingly bring the profession into disrepute.
- 2 not engage in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
- 3 effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
- 4 not exploit any relationship with a donor, prospect, volunteer, client or employee for the benefit of the members or the members' organizations.
- 5 comply with all applicable local, state, provincial and federal civil and criminal laws.
- 6 recognize their individual boundaries of professional competence.
- 7 present and supply products and/or services honestly and without misrepresentation.
- 8 establish the nature and purpose of any contractual relationship at the outset and be responsive and available to parties before, during and after any sale of materials and/or services.
- 9 never knowingly infringe the intellectual property rights of other parties.
- 10 protect the confidentiality of all privileged information relating to the provider/client relationships.
- 11 never disparage competitors untruthfully.

SOLICITATION & STEWARDSHIP OF PHILANTHROPIC FUNDS

Members shall:

- 12 ensure that all solicitation and communication materials are accurate and correctly reflect their organization's mission and use of solicited funds.
- 13 ensure that donors receive informed, accurate and ethical advice about the value and tax implications of contributions.

- 14 ensure that contributions are used in accordance with donors' intentions.
- 15 ensure proper stewardship of all revenue sources, including timely reports on the use and management of such funds.
- 16 obtain explicit consent by donors before altering the conditions of financial transactions.

TREATMENT OF CONFIDENTIAL & PROPRIETARY INFORMATION

Members shall:

- 17 not disclose privileged or confidential information to unauthorized parties.
- 18 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.
- 19 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 when stating fundraising results, use accurate and consistent accounting methods that conform to the relevant guidelines adopted by the appropriate authority.

COMPENSATION, BONUSES & FINDER'S FEES

Members shall:

- 21 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.
- 22 be permitted to accept performance-based compensation, such as bonuses, only if such bonuses are in accord with prevailing practices within the members' own organizations and are not based on a percentage of contributions.
- 23 neither offer nor accept payments or special considerations for the purpose of influencing the selection of products or services.
- 24 not pay finder's fees, commissions or percentage compensation based on contributions.
- 25 meet the legal requirements for the disbursement of funds if they receive funds on behalf of a donor or client.

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EXAMPLES OF COMPLYING WITH AND VIOLATING THE STANDARDS

Standard 3

Disclose Conflicts of Interest

| | | Compliance | Violation |
|--------|--|------------|---|
| Church | A board member's printing company bids on the capital campaign brochures; the member discloses the relationship and recuses from all vendor discussions and votes. | | A board member votes to hire their own firm to run the capital campaign without disclosing ownership. |
| School | The development director's spouse owns an events firm; the director discloses this before planning events and recuses themselves from the selection process. | | The advancement director steers the gala to a son's event company without disclosure. |

Standard 7

Honest Representation of Services/Needs

| | | Compliance | Violation |
|--------|---|------------|---|
| Church | The appeal letter accurately states the new sound system estimate and installation timeline, without any inflated costs or "rush" pressure. | | An appeal claims a "\$50,000 matching grant" that the potential donor has yet to sign agreement |
| School | The science lab fundraiser specifies which equipment models will be purchased and the accurate vendor quotes. | | A flyer states that all donations are "100% tax-deductible," but this is not entirely accurate, as benefits may reduce deductibility. |

Standard 12

Accurate Solicitations Aligned with Mission/Use

| | | |
|--------|--|--|
| Church | A special offering for benevolence clearly states funds support rent and utilities for local families; photos reflect actual ministry. | The "benevolence" appeal funds are intended to upgrade the sound system. |
| School | The mailer for "Arts Alive" says gifts support choir, band, and theater—no suggestion that funds cover unrelated expenses. | A campaign marketed for the science lab is quietly used to refurbish the athletic field. |

Standard 14

Use Gifts as Donor Intended

| | | |
|--------|---|---|
| Church | A designated gift for the youth room remodel is tracked in a restricted account and spent only on that project. | A memorial gift intended for the youth room is redirected to cover overdue utility bills. |
| School | A scholarship endowment is invested per policy; only the board-approved spend rate funds awards each year. | The school board votes to invade the scholarship endowment principal to cover a budget shortfall. |

Standard 15

Proper Stewardship & Timely Reports

| | | |
|--------|---|--|
| Church | Quarterly impact emails show benevolence dollars disbursed, households served, and remaining balance. | Donations and campaign progress for the new sound system are never mentioned until one day, there is a new sound system at the back of the church. |
| School | The donor to the robotics program receives a year-end report with photos, student outcomes, and a budget-to-actual summary. | The donors who support worthy student never hear a report on how many students received the support and in what amounts. |

Standard 16

Get Donor Consent Before Changing Purpose

| | | |
|--------|---|--|
| Church | The roof campaign exceeds goal; before reallocating the surplus to HVAC, staff obtain written consent from donors or offer refunds. | Surplus roof-campaign funds are shifted to HVAC without notifying or getting permission from donors. |
| School | If the named scholarship can't be awarded (no eligible applicants), development asks the donor to approve a closely related use. | A named scholarship is repurposed for general tuition aid without the donor's written consent. |

Standard 21

No Percentage-Based Compensation or Finder's Fees

| | | |
|--------|---|---|
| Church | The part-time fundraiser is paid a flat hourly rate; no commissions on gifts or success fees. | A part-time fundraiser is paid 10% of all offerings raised. |
| School | A consultant's contract is a fixed fee with clear deliverables—not a cut of funds raised. | The gala consultant's contract gives them a commission on auction proceeds. |

