

## **Are all contributions created equal?**

### ***Devise your donation policy now***

During this election year, you'll hear a lot about where political candidates' donations come from. What constitutes an acceptable donation is an important issue for nonprofits as well. Is it your policy to accept donations from all sources and all individuals? Or are there circumstances that would make you consider saying "no thank you" to a particular funding source?

If your board or development staff haven't discussed controversial contributions — whether hypothetical or real — now is the time to open the lines of communication. It's essential that you all be on the same page and making the right decisions for your organization.

### **Define "controversial"**

What's controversial for one organization may be completely neutral — or even sought after — for another. Only your leadership can define what donations, if any, fall into the questionable category. Typically, the most common areas of controversy are donations that:

***Are at odds with your mission.*** These might be donations from companies that manufacture a product or offer a program that conflicts with your organization's goals. Examples include addiction treatment centers and alcohol companies, environmental protection groups and manufacturers cited as polluters, or lung cancer support organizations and tobacco companies.

***Could affect your reputation.*** A donation from a corporation or individual that isn't in good standing with your community or constituency could be controversial. Some examples are companies in the adult entertainment industry, a multinational retailer that imperils locally owned stores or a public figure embroiled in a scandal.

***Have strings attached.*** Donations made with the expectation of influence over your nonprofit's decisions could be undesirable. This can be overt, such as using a donation to influence your organization's direction, or more subtle — for example, applying pressure to hire a particular candidate or appoint a certain board member.

### **Talk it out**

The best time to determine your acceptance policy for controversial donations is well before one lands on your doorstep. Convene a series of meetings of your board and organization leadership to delve exclusively into this topic. You want to make sure your decisions are well considered, represent the best interest of the organization and have full board support.

Encourage robust debate on the pros and cons of any policy proposed and run it through several hypothetical situations to test where any gaps might appear. Then compare your policy against your current list of donors. Would you have to turn down any of them based on this policy? You may also want to test it with staff, volunteers and supporters to ensure that your policy represents your organization's overall mission without impairing fundraising.

### **Take a stand and stick to it**

At the end of the day, you must make good decisions to keep your organization running well and fulfilling its intent. The most important factors in accepting or declining donations are that you're clear about the reasons for your decision and that you apply your policy consistently.