

Florida  
Community  
Innovation

# FCI's Take on Ethical Fundraising



# Florida Community Innovation

Florida Community Innovation (FCI) is a civic technology nonprofit focused on tackling our state's most pressing issues with human-centric technology.

We connect Floridians to trusted resources, services, and information when they need it most. We also engage in public service projects that produce research and applications on key issues that impact Floridians.

Our process integrates on-the-ground community organizations, the latest academic research, and our own team of young innovators (50+ college students) to uncover solutions and develop scalable social services technology for our communities.

# Ethical Fundraising 101

**Ethical fundraising** is honest, transparent, and accountable to donors, your beneficiaries, and any stakeholders who are involved in your fundraising process.

## How to be Ethical in your Fundraising Efforts?

- Be transparent about how much funds are needed and the potential impact of donations.
- Represent beneficiaries stories in a respectful manner.
- Ensure donations are contributing to to the long-term sustainability of your organization and its mission.

## Why does it matter?

Ethical fundraising not only fosters trust but also cultivates enduring relationships with donors and beneficiaries.

- Donors will trust that their donations are being used well.
- Your organization will develop a positive reputation.
- You will be able to establish long-term relationships with other nonprofits, community foundations, and donors.

Ultimately, ethical fundraising can ensure the long-term sustainability and effectiveness of nonprofit organizations.



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# The Do's

## 1. Cultivate and uphold a positive and productive reputation.

- a. Nonprofits should work on building a solid reputation to get accredited and draw in donors. This involves being open about their finances, sticking to their values, and being reliable in what they do.

## 2. Transform to an intentional model of aid.

- a. Nonprofits should keep communication open with the local community so they know how to support the community based on the community's needs. This helps create fair solutions.

## 3. Refocus donor sources.

- a. Nonprofits should focus to "everyday donors," who are local contributors providing small to medium-sized donations. Building personal relationships with these donors and demonstrating the impact of smaller donations can lead to sustainable, long-term donor relationships.

## 4. Maximize the impact of both marketing efforts and donor opportunities.

- a. Nonprofits should leverage technology to enhance their online presence. This includes implementing an online donation system and promoting the positive impact of their donations on the community on social media.

## 5. Ensure a fundraising model aligned with modern standards.

- a. Nonprofits should focus on tracking metrics of performance to communicate successes to donors and showcase the impact of fundraising. Nonprofits should provide a mix of donation options and volunteer opportunities to boost effectiveness.



**Source:** Ali, Sumaya; Carter, Mandie; Archer, LaKell; Jensen, Erica; and Holzer, Angie (2024) "The Dos and Don'ts of Charitable Giving," *Journal of Nonprofit Innovation*: Vol. 4: Iss. 1, Article 3. Available at: <https://scholarsarchive.byu.edu/joni/vol4/iss1/3>

# The Don'ts

## 1. **Avoid making the donation process difficult or hard to access for donors.**

a. Have multiple avenues that allow people to donate—this makes giving easy and convenient. An online donation system, along with mail-in donations and in-person donations, can help your nonprofit stand out.

## 2. **Don't ask for money from donors right away.**

a. Instead of rushing to request funding, focus on creating a connection based on shared values. This will lead to lasting, positive relationships between your nonprofit and its supporters.

## 3. **Avoid paying staff on a commission basis.**

a. This type of pay can create incentives that distract from your nonprofit's mission and lead to unethical practices. The primary use for funding should be for the benefit of the public, which is more so what donors wish to see.

## 4. **Don't overlook the importance of feedback and donor preferences.**

a. Everyone in the organization should understand who the donors are, what motivates them, and what they value. Paying attention to these factors helps build a stronger relationship between the donor base and the nonprofit.

## 5. **Don't let communication with donors be slow or unclear.**

a. Using technology to keep in touch and provide updates helps donors see the impact of their contributions. When donors are informed about how their support is making a difference, they're more likely to stay engaged and donate again in the future.



**Source:** Ali, Sumaya; Carter, Mandie; Archer, LaKell; Jensen, Erica; and Holzer, Angie (2024) "The Dos and Don'ts of Charitable Giving," *Journal of Nonprofit Innovation*: Vol. 4: Iss. 1, Article 3. Available at: <https://scholarsarchive.byu.edu/joni/vol4/iss1/3>

# The Framing of Ethical Fundraising



## Framing Ethics

- Fundraising ethics refers to how an organization communicates its fundraising efforts to donors and beneficiaries.
- Adhering to fundraising ethics ensures transparency and honesty, shaping the organization's reputation and influencing donor perceptions.
- Specifically, these ethics include practices like transparency and integrity in outreach.



## Fundraising Frame

- Fundraising frames are a variety of strategies used to solicit donations and support for the organization.
- Organizations can engage donors through effective messaging and incentives, with specific appeals through storytelling and recognition.
- This helps build meaningful connections with donors and creates support for the organization's mission.



## Values Frame

- Values framing aligns fundraising efforts with the values and the mission of an organization.
- It establishes a connection between donors' personal values and the goals of an organization to develop strong engagement and support.
- This also highlights shared goals between donors and emphasizes ethical principles within fundraising.

**Source:** Madden, S., Harrison, V., & Vafeiadis, M. (2022). Relational care in communication as the basis of nonprofit fundraising: Theorizing professional ethics based in stewardship and ethics of care. *Journal of Philanthropy and Marketing*, 1– 11. <https://doi.org/10.1002/nvsm.1762>

**Source:** Smyth, S., & MacQuillin, I. (2018). You've been reframed: How ought beneficiaries be represented in fundraising materials. *Rogare The Fundraising Think Tank*, 3– 24. [https://www.rogare.net/\\_files/ugd/8bc141\\_03813d82f16f4266a10dff7104cc6fe9.pdf](https://www.rogare.net/_files/ugd/8bc141_03813d82f16f4266a10dff7104cc6fe9.pdf)

# The Codes of Ethical Fundraising



## What are codes?

- Fundraising codes are a set of guidelines and principles that govern ethical behavior in fundraising practices. They provide a standard for how fundraising activities should be conducted.
- They outline expectations for transparency and accountability in the relationship between an organization and its donors.
- The codes ensure that funds are distributed properly and that communication with donors is conducted ethically.



## How to Build Codes

- Research existing fundraising codes from other nonprofits.
- Understand legal and ethical requirements thoroughly.
- Identify and consider stakeholders (donors, beneficiaries, staff, board members).
- Ensure codes align with the organization's mission and values.
- Create a clear code with a set procedure for conflict resolution and management

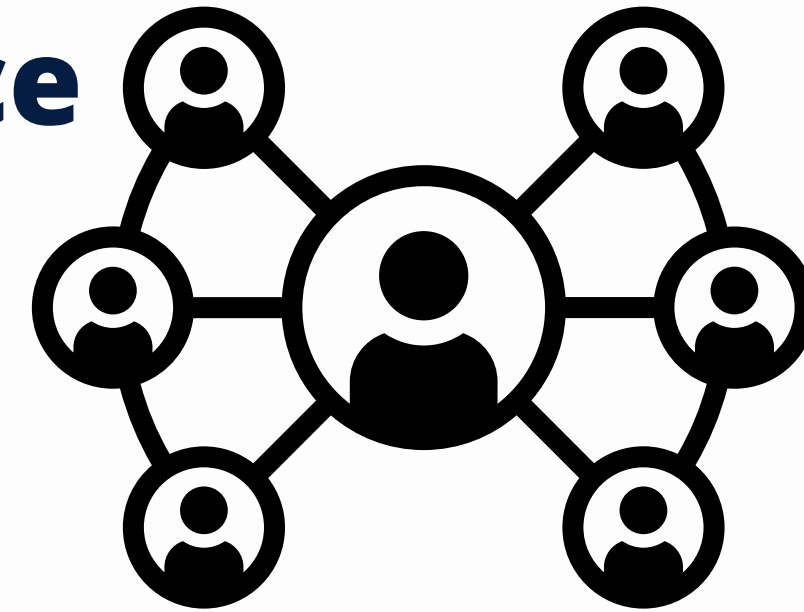
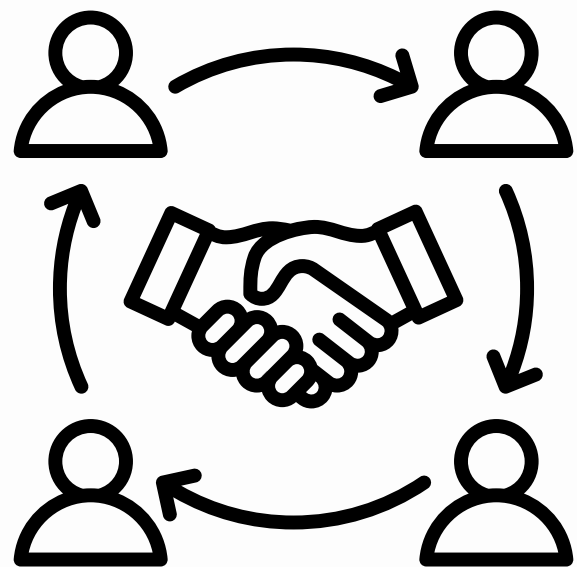
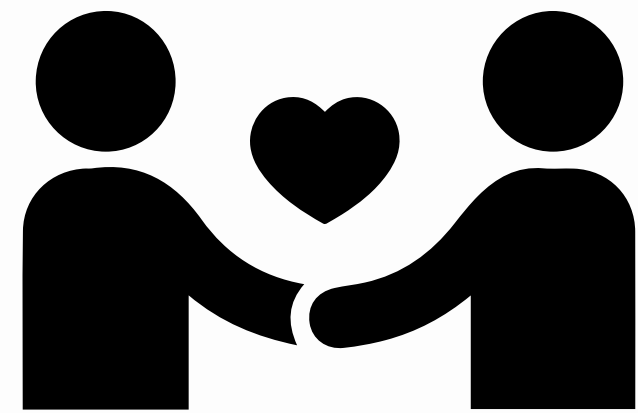
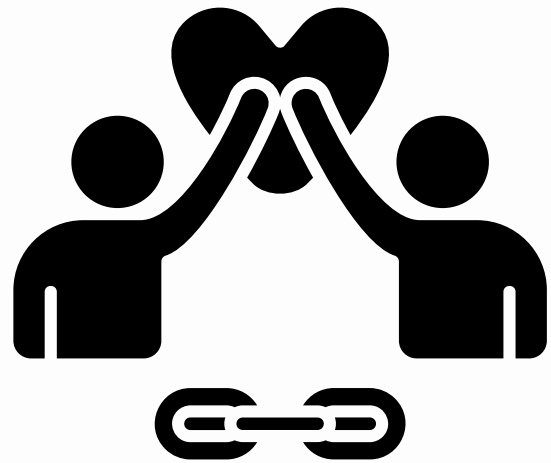


## Code Effectiveness + Importance

- Well-designed codes serve as one of the most practical tools for a nonprofit to sustain itself.
- Effective codes help prevent misconduct and unethical behavior, which reduces the risk of harm to the organization's reputation.
- For these codes to remain effective, it is crucial to conduct regular reviews and re-evaluations. This ensures that nonprofits can adapt to the most pressing issues and needs of their community.

**Source:** MacQuillin, I., Sargeant, A. Fundraising Ethics: A Rights-Balancing Approach. J Bus Ethics 160, 239–250 (2019). <https://doi.org/10.1007/s10551-018-3872-8>

# Relationship Building and Maintenance



## What is relationship building?

- When talking about fundraising, relationship building refers to strategies that a nonprofit can use to deepen their relationship with their donors. Oftentimes, this is done through consistent, transparent communication from the nonprofit to their donors/supporters.

## Items to consider

- When strengthening relationships with your supporters, it is important to highlight shared values between both parties. It is important for nonprofits to regularly update donors on the impact of their donations and of any successes or measurable results.

## Why and how are strong relationships maintained?

- Nonprofits become more stable when they have fewer, but more consistent donor relationships as opposed to more, less consistent relationships. A strong relationship is built on nonprofits following through with the promises made to the donors, and keeping them updated on usage of their fundings. This foundation allows for donors to trust nonprofits to use their donations ethically.

# Ethical Fundraising At FCI

## What FCI is Doing:

- Created a fundraising toolkit that clearly outlines where donations are allocated.
- Compensates students with honorariums for their contributions to FCI projects, ensuring fair recognition of their work.
- Maintains clear communication with donors, including FCI graduates in the workforce, to keep them informed and engaged with what FCI is working on.


## What FCI is Working Towards:

- Establishing a value statement to guide partnerships and ensure alignment with FCI's core principles.
- Developing a business model that communicates to stakeholders what FCI offers and how FCI's mission can align with their own mission.

# THANK YOU!



## Contact us!

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