



# MUFFIN

## MASTERING THE UNDERESTIMATED FUNDRAISING FINANCIAL LITERACY FOR SPORTS PROFESSIONALS



The ethics of fundraising is a topic that has received scant attention from scholars to academics. When ethics is addressed by fundraising practitioners, it generally focuses on solving applied ethical dilemmas, but it often does this without basing this guidance in scholarship. As is expounded below, writing about the ethics of fundraising in sport tends to focus on the domain of applied ethics—what to do in particular ethical dilemmas—rather than normative ethics—general theories about how to practice fundraising ethically.

Fundraisings ethical when it promotes and protects trust in fundraising and unethical when it harms trust.

Transparency inspires confidence. Beyond what the law requires, nonprofits can demonstrate their commitment to ethical practices by being transparent regarding financial information and fundraising practices.

A fundamental financial transparency practice is to make it easy for visitors to a nonprofit's website to find information about the nonprofit's budget-size and its sources of revenue, as well as information about board composition, programs, outcomes/impact, staffing, and donors.

### Principles of ethics in Fundraising Efforts:

#### Ethics related to laws

- The federal government has laws that apply to fundraising disclosure, substantiation, and record-keeping.
- Organizations should train their fundraising staff to know about and comply with these laws, and be scrupulous in insisting that violators will be subject to discipline, even if the intent of the fundraiser was a good-faith effort to benefit the organization.

#### Ethics related to confidentiality

- Organizations must protect the identity of donors who provide a gift on condition that they remain anonymous.
- You have not disclose privileged or confidential information to unauthorized parties and also to 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.

#### Ethics related to conflict of interest

- The staff must not be engaged in activities that harm the members' organizations, clients. Also in activities that conflict with their fiduciary, ethical and legal obligations to their organizations, clients or profession.
- It is not unusual for major donors to seek to play a role in influencing programs they fund. Organizations should make it clear that donors have limitations on their ability to control the organization's policies and programs.

As sport fundraisers, these principles set out how we should work and define our ethical approach:

**Honesty:** Sport fundraisers will always be honest and truthful, upholding public trust and never misleading supporters or the public.

**Respect:** Sport fundraisers will always be respectful of our beneficiaries and donors, following their choices and wishes, wherever possible.

**Integrity:** Sports fundraisers will always act with integrity, following legislative and regulatory requirements, and will always work for the best interests of our causes and supporters.

**Transparency:** Sports fundraisers will always be transparent, clear and accurate about the work of our causes, how donations will be managed and spent, and report on costs and impact accurately.

**Responsibility:** Sports fundraisers will always act responsibly, understanding that we share a common objective to promote fundraising excellence for the benefit of the common good. We value and encourage diversity in our practice and our fundraisers, and continually seek to develop our professional standards.

## **Standards of Ethics in Sport Fundraising Practice**

Standards are presented as being the benchmark for fundraising excellence and set out shared framework for working to the highest level and in the best interests of causes, while respecting donors and being accountable in work.

### **1. Responsibility to fully comply with relevant legislation and regulatory standards**

>Fundraisers will work according to the national and international legal obligations that apply to their organization's location, legal form, and activities.

>Fundraisers will follow any agreed upon regulatory systems for fundraising and specific codes of practice for fundraising that are set in their location.

>Fundraisers will not take action that could constitute professional misconduct or create a conflict of interest.

### **2. Responsibility to supporters**

>Fundraisers will always respect the free choice of all individuals to give donations or not.

>Fundraisers will respect the rights of donors and follow their preferences on communications and privacy.

>Fundraisers will be open and transparent with donors on the use of their funds, providing clear information on how donations are spent and the impact of their work.

>Fundraisers will be truthful and honest in all of their fundraising communications, in any medium and by any means, using accurate information about their cause in their materials, communications, and activities.

>Where a donor has expressed a view on the specific service or project that they would like their money to be applied, the donor's wishes will be followed wherever possible. In the event that the money cannot be used in line with the donor's wishes, the fundraiser will seek further agreement from the individual or organization on the use of their donation.

### **3. Responsibility to their cause and beneficiaries**

>Fundraisers will work together with their trustees or relevant governance structure to best achieve the overall goals and objectives of their cause, making decisions and working in accordance with the values of the organization.

>Fundraisers will always be respectful of their beneficiaries and uphold their dignity and self-respect in the fundraising communications or materials that they use.

>Fundraisers will not accept donations where the acceptance of those gifts would not be in the best interests of the organization or create a conflict of interest that would be detrimental to the organization's reputation, mission, and relationship with existing supporters and beneficiaries.

#### **4. Management reporting, finance, and fundraising costs**

>Fundraisers will be transparent and accurate in presenting fundraising costs, fees, and expenses, without expressing or suggesting in communications and materials that fundraising lacks administration and fundraising costs.

>Fundraisers will ensure that all fundraising transactions, accounting, and reporting for which they are responsible are transparent and accurate.

>Fundraisers will work with their organization to provide accurate reports on their organization's income and expenditure according to their national regulatory framework and publish clear information on their activities for stakeholders, beneficiaries, donors and the public.

#### **5. Pay and compensation**

>Fundraisers will expect fair remuneration for their work and will not use their position to make any unauthorized or disproportionate personal gain.

>Fundraisers will not seek any personal benefits or gratuities in the course of their work. Any benefits or gratuities that are offered to a fundraiser will be declared to their organization and/or any relevant authority and only accepted if in line with the set policy and with any necessary approval.

>When fundraisers work with suppliers, partners, or third-party agencies, they will take all reasonable steps to ensure that those external parties work to the same standards that they are held to, and that they do not receive unreasonable and disproportionate payment for their work.

>All payment and remuneration for fundraisers will be arranged before work is carried out, with any performance-related payments agreed in advance and set to ensure that payments will not be disproportionate or unreasonable.

### **Setting SMART Goals for Fundraising**

We propose some framing SMART objectives such as: Specific, Measurable, Achievable, Relevant, and Time-bound.

Having a certain specificity, the possibility of quantification, an achievable and relevant target for the financing approach, but also a framing time, sports entities can engage potential financiers in a sustained rhythm of actions, correspondent to financial needs.



**Here are some examples of SMART goals related to fundraising through ethics code:**

Goal 1:				
Organize an sport event by respecting the sport laws and regulations				
Specific: Organise a sport event and disseminate the sports laws.	Measurable: Underline how many regulations you obbey.	Achievable: Underline that the sport event respects all the laws and regulations.	Relevant: Convince sponsors that you respect all the country laws and regulations.	Time-bound: Achieve within the next three months.

**Goal 2:**

Organize a sport event respecting the confidentiality of the donor

Specific:				
Announce the event underlining that the sponsor sdoes not want to reveal their names.	Measurable:  Organize an event with 3 major sponsors	Achievable:  Contact 3 small donors.	Relevant:  Diseminate that the donors are sport lovers.	Time-bound:  Accomplish till the end of the year.

### Goal 3:

## Organize a sport event based on transparency

Specific:	Measurable:	Achievable:	Relevant:	Time-bound:
Announce the amount of funds and how is this amount will be spent.	Announce the amount of money raised through promoting and marketing your image.	Diseminate on the mass media the amount of funds and explain how it will be spent at this sport event.	Funds contribute for every payment starting from prices, referees, materials to advertise the event.	Achieve within the next six months.