

## **HIRING FUNDRAISING CONSULTANTS OR STAFF: NO “SILVER BULLET” FOR SMALL NONPROFITS**

**Many small nonprofit organizations committed to increasing their funding level and/or diversity face the complicated decision of how to “staff” their fundraising efforts: through assigning tasks to existing staff, hiring staff such as a development director or grant writer, and/or engaging consultants. Each of these alternatives works for some organizations.**

**In deciding what approach to use, remember one basic fact: a Development Director or consultant cannot provide the “silver bullet” for solving all your fundraising problems.** Some small nonprofit organizations — both Boards of Directors and senior executives — believe that if they can just find the right Development Director or consultants, senior staff won’t have to spend their time on fundraising, Board members can limit their involvement to phone calls and some help with the annual gala, and increased resources will flow into the organization. Unfortunately, it almost never works that way. Competent fundraising staff or consultants can certainly ease the burden of senior staff with regard to funder research, grantwriting, special events planning, recordkeeping, and managing annual or capital campaigns. Except perhaps in extremely large nonprofit organizations, they almost never can take over full responsibility for resource development from the Executive Director and other senior staff — nor should they. Fundraising is a basic responsibility of the Executive Director, other senior managers, and the Board.

Following are some ideas to consider as you consider how your nonprofit organization can best arrange for the human resources needed for fundraising.

1. **“Donors fund people,” not just organizations.** Prospective donors generally want to get to know the senior staff of the organization and/or key Board members. A development staff member can do the research, set up the meeting, and prepare the materials, but unless s/he is very senior, very knowledgeable about the organization, and very experienced, the donor will also want to meet with the Executive Director or other key staff (ideally, accompanied by a Board member). This is especially true for organizations with small professional staffs. A Development Director who is senior, personable, extremely knowledgeable about the organization, and an excellent marketer is an asset at meetings and may be responsible for contacts with current donors and solicit smaller grants — but most prospective donors will want to get to know the Executive Director.
2. **Consultants help raise money; they don’t do the asking.** This is largely due to the desire of donors for a relationship with key personnel responsible for the work of the organization. Even more than development staff, consultants should do the “behind the scenes” development work, not the “up front” contacts.

3. **Sound decisions about appropriate fundraising personnel require a clear definition and understanding of skill and time needs.** What are the resource development tasks the organization carries out? Which are regular, and which happen only once or twice a year? Who is responsible for these tasks, formally or informally? Which tasks are not getting done properly? With regard to these tasks, is the problem lack of appropriate skills, lack of interest, lack of clearly defined responsibilities, or work overload? What needed skills are missing from the available work team? Once you have answered these and similar questions, you can decide what kind of assistance is needed and how best to obtain it — through more and better Board involvement, development consultant(s), and/or development staff with specific capacities. Sometimes an organization finds that what it *really* needs is not development personnel, but another administrative support person, so current staff who already have appropriate knowledge have the time to do development work.
4. **If the organization needs varied resource development skills, finding one person who has them all can be difficult.** A small nonprofit organization often can hire only one development staff member. Often, the organization finds that applicants with strong foundation/corporate research and grantwriting skills lack experience or skills in individual solicitation or special events planning and management. A special events or annual campaign dynamo may be an ineffective grant writer and not terrific at details like recordkeeping or maintenance of a donor database.
5. **Several fundraising consultants or a consulting group sometimes offer a greater range of skills.** The nonprofit organization may be able to use one consultant or part-time staff member for foundation and corporate contacts and for public- and private-sector grantwriting, and another to coordinate a special event or annual campaign targeting individual donors.
6. **Staff and consultants each bring advantages and disadvantages.** Staff provide continuity, are likely to get to know the organization better, and may identify more directly with the work of the organization. They can often help with contacts and participate in donor meetings. They can “grow with the organization.” However, a multi-skilled development staff member can be quite expensive, and it may be impossible to find someone affordable with the appropriate mix of skills. Consultants can offer a range of skills, but less continuity; there is no guarantee that this year’s consultant will be available next year. They generally should not help with donor meetings, and sometimes they present the organization inaccurately or inadequately in writing or on the telephone because of a lack of in-depth understanding of its work — or because they are not truly committed to its mission. Consultants do not add institutional skills and memory to the organization; unless they are specifically expected to train staff, few skills remain behind with the organization after they have completed their tasks.

7. **The most effective development staff and consultants are “team players”** who work well with Board members, the Executive Director, and other staff, and are committed to “skill transfer.” Such individuals will make effective use of the contacts, skills, and knowledge of other staff and will share the workload and their knowledge. The result can be an effective development *team* that together has the needed mix of skills to carry out diverse fundraising tasks. Effective marketers sometimes are not “team players”; beware of individuals who may be talented but do not accept supervision or recognize that they are not the policy makers with regard to fundraising priorities.
  
8. **Organizations need to understand professional fundraising standards — and set their own internal guidelines for fundraising.** The National Association of Fund Raising Executives (NSFRE) has developed a “Code of Ethical Principles and Standards of Professional Practice” that their members are expected to follow and has helped to develop a donor “bill of rights” as well. (excerpts of both are attached; you can get the full documents at [www.nsfre.org](http://www.nsfre.org)). The American Association of Fundraising Counsel (AAFRC) has developed eight steps to use in hiring fundraising consultants (available on [www.aafrc.org](http://www.aafrc.org)). Reviewing these standards and steps will help a nonprofit organization in hiring and using fundraising consultants and in establishing its own guidelines for resource development. For example, reputable fundraisers do not work on commission, and a nonprofit organization should arrange to pay consultants on a daily, hourly, or project basis. When you hire staff or consultants, be sure they understand — and support — these standards.

**NATIONAL SOCIETY OF FUND RAISING EXECUTIVES**  
**Code of Ethical Principles and**  
**Standards of Professional Practice**  
**Adopted 1964; amended October 1999**

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical standards 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 principle 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 embrace certain values that they strive to uphold in performing their responsibilities for generating charitable support.

**AFP members 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 standards and visions of their organization, profession and conscience.
- 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 of professional practice.
- Be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

### **Standards of Professional Practice**

Furthermore, while striving to act according to the above values, AFP members agree to abide by the AFP Standards of Professional Practice, which are adopted and incorporated into the AFP Code of Ethical Principles. Violation of the Standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

#### **Professional obligations**

1. Members shall not engage in activities that harm the members' organization, clients, or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical, and legal obligations to their organizations and their clients.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
4. Members shall not exploit any relationship with a donor, prospect, volunteer, or employee to the benefit of the members or the members' organizations.
5. Members shall comply with all applicable local, state, provincial, and federal civil and criminal laws.
6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications.

#### **Solicitation and use of charitable funds**

1. Members shall take care to ensure that all solicitation materials are accurate and correctly reflect their organization's mission and use of solicited funds.
2. Members shall take care to ensure that donors receive informed, accurate, and ethical advice about the value and tax implications of potential gifts.

3. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
4. Members shall take care to ensure proper stewardship of charitable contributions, including timely reports on the use and management of funds.
5. Members shall obtain explicit consent by the donor before altering the conditions of a gift.

### **Presentation of information**

1. Members shall not disclose privileged or confidential information to unauthorized parties.
2. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization is the property of that organization and shall not be transferred or utilized except on behalf of that organization.
3. Members shall give donors the opportunity to have their names removed from lists that are sold to, rented to, or exchanged with other organizations.
4. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)\* for the type of organization involved. (\* In countries outside of the United States, comparable authority should be utilized.)

### **Compensation**

1. Members shall not accept compensation that is based on a percentage of charitable contributions; nor shall they accept finder's fees.
2. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations, and are not based on a percentage of charitable contributions.
3. Members shall not pay finder's fees, commissions or percentage compensation based on charitable contributions and shall take care to discourage their organizations from making such payments.

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# **NATIONAL SOCIETY OF FUND RAISING EXECUTIVES**

## **Donor Bill of Rights**

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 acknowledgment 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.

Developed by: American Association of Fundraising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), National Society of Fund Raising Executives (NSFRE)

Endorsed by: Independent Sector, National Catholic Development Conference (NCDC), National Committee on Planned Giving (NCPG), National Council for Resource Development (NCRD), United Way of America