

TOPIC: Revision of BOR IX.-5.00 – Policy on Ethical Practices in Charitable Giving

COMMITTEE: Advancement Committee

DATE OF MEETING: February 8, 2017

SUMMARY: The revised policy updates a 1994 policy on ethical practices. The revised policy closely aligns with the Council for Advancement and Support of Education's Principles of Practice for Fundraising Professionals at Educational Institutions (2014). The new policy provides additional guidance regarding donor confidentiality, stewardship, and disclosure in order to safeguard the relationship of trust between a donor and a USM institution.

ALTERNATIVE(S):

FISCAL IMPACT:

CHANCELLOR'S RECOMMENDATION:

COMMITTEE ACTION: Recommend approval DATE: 2.8.17

BOARD ACTION: DATE:

SUBMITTED BY: Leonard Raley, Vice Chancellor for Advancement, rale@usmd.edu
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Copy in blue is language from original policy; much of this policy is adapted from CASE's statement (link provided at end of the document)

309.0 IX-5.00 -- POLICY OF THE BOARD OF REGENTS ON ETHICAL PRACTICES IN CHARITABLE GIVING

(Approved by the Board of Regents, _____)

Deleted: October 7, 1994

The purpose of this policy is to encourage responsible gift solicitation among the institutions of The University System of Maryland.

I. Institutional Responsibilities

The University System of Maryland and its affiliated foundations have a legal and ethical duty to act with fairness, honesty, and integrity in connection with the solicitation, planning, and receipt of private gifts for the benefit of the System, its institutions, and its regional centers. The System and its affiliated foundations, in soliciting, planning, and receiving gifts must comply with all applicable laws or regulations pertaining to ethics in any state or country in which a solicitation takes place. In connection with a charitable solicitation, no person acting for or on behalf of the University System of Maryland or any affiliated foundation may commit an act or engage in a practice that by affirmative representation or by omission is misleading about anything important to, or likely to affect, another person's decision to make a charitable contribution. Such an act or practice violates this policy whether or not a person has in fact been misled, deceived, or damaged as a result of such act or practice.

Deleted: , including as to affiliated foundations, provisions of of the Business Regulation Article of the Maryland Code entitled ", a violation of which can result in cancellation of a foundation's regulation as well as civil and/or criminal penalties.

II. Individual Responsibilities

All individuals soliciting gifts represent their institution and have the following obligations:

Deleted: Development officers

A. Personal Integrity

- i. Adhere to the spirit as well as the letter of all applicable local, state, and federal civil and criminal laws and regulations;
- ii. Act according to the highest standards and values of their institution, profession and conscience;
- iii. Embrace high ethical principles and seek to inspire others through demonstrating their own sense of dedication and high purpose;

- iv. Be fair and honest and conduct themselves with integrity;
- v. Not maintain any vested interest in a professionally related activity that could result in personal gain, or be perceived as a potential conflict of interest, without prior full disclosure and institutional approval;
- vi. Respect that their relationships with prospective donors, donors, volunteers, and employees are professional relationships and may not be exploited.
- vii. Be committed to the improvement of their own professional knowledge and skills to better serve donors.

B. Confidentiality

- i. Safeguard and respect donor and prospective donor information;
- ii. Honor the wishes of an individual and/or organizational constituent with regard to how directory information and/or giving history is used or shared;
- iii. Record and keep only information relevant to cultivation, solicitation, and stewardship;
- iv. Identify the source of retained information;
- v. Safeguard prospective donor, donor, and other constituent lists compiled by the institution as the property of the institution; these lists may not be distributed or used for unauthorized purposes or for personal gain;
- vi. Make every effort to ensure that volunteers, vendors, and external entities with access to constituent information understand and agree to comply with the organization's confidentiality and public disclosure policies.

C. Public Trust

- i. Structure gifts to achieve a fair and proper balance between the interests of donor and those of the institution;
- ii. Ensure donated funds are used in accordance with donors' directions and intentions;
- iii. To the best of their ability, see that the donor gives explicit consent before the conditions of any gift are altered; obtaining specific instructions from a donor before altering conditions of a restricted gift (consistent with applicable laws including UPMIFA);
- iv. Provide prompt, responsive and truthful replies to donor and public inquiry in accordance with the organization's stated policies;
- v. Place the mission and interest of the institution and its donors above personal gain;
- vi. Pursue only gifts that fall within, or advance, the institution's mission, fundraising policies, and/or approved priorities.

D. Disclosure

- i. Be truthful about the institution's mission, intended use of funds, and capacity of the institution to use donations effectively for the intended purpose;
- ii. Be proactive in sharing information regarding any institutional gift assessment or management fee structure related to the donor's contribution;
- iii. Be truthful and specific about the identification of the organization they represent and their employment or volunteer status;
- iv. Understand and disclose their areas of expertise and will give appropriate advice regarding the involvement of the donors' legal, accounting, financial and tax advisors; not offer legal, accounting, financial and/or tax advice;
- v. Help ensure appropriate and consistent accounting, budgeting, and reporting methodologies in accordance with nationally adopted standards and guidelines.

- vi. [Disclose all relationships which might constitute or appear to constitute conflicts of interest;](#)

E. Compensation

- i. [Not accept commission-based compensation or compensation based on a percentage of funds raised;](#)
- ii. [Not accept external compensation for the receipt of a gift or information leading to a gift;](#)
- iii. [Agree not to pay compensation to individuals in respect of a gift or information leading to a gift.](#)

<http://www.case.org/Samples Research and Tools/Principles of Practice/Principles of Practice for Fundraising Professionals at Educational Institutions.html>

These principles are intended to supplement and complement the [CASE Statement of Ethics](#) adopted by the CASE Board of Trustees in 1982.

Deleted: <#>Disclose all relationships which might constitute or appear to constitute conflicts of interest;¶

Deleted: <#>Have no vested interest that could result in personal gain except for compensation received for services, the terms of which have been disclosed to the donor and the institution;¶
<#>¶
<#>Be committed to the improvement of their own professional knowledge and skills to better serve donors, and be aware as professionals of limits of their knowledge and expertise, calling on others for specific knowledge when warranted;¶
<#>¶
<#>Structure gifts to achieve a fair and proper balance between the interests of donor and those of the institution;¶

Deleted: <#>Recognize stewardship responsibilities to see that the intent of the donor is honestly fulfilled, and that privacy, freedom of choice and the interest of all involved are protected;¶
<#>¶
<#>To the best of their ability, see that the donor gives explicit consent before the conditions of any gift are altered;¶

Deleted: <#>Ensure that constituent information is kept confidential;¶
<#>¶
<#>In all dealings with donors, institutions, and other professionals, act with fairness, honesty, integrity and openness to safeguard the public trust, bringing credit to the profession by their public demeanor.¶