



The Nonprofit Ethicist

by Woods Bowman

Dear Nonprofit Ethicist,
We are a 501(c)3 charity legally registered to conduct raffles in our state. We are planning a raffle with \$100 tickets and a grand prize of a new Jaguar. One of our committee members would like to provide an incentive to those who sell raffle tickets by providing each one with a free raffle ticket. I reviewed the penal code regarding the conduct of raffles and can't find anything specifically prohibiting this, but I feel uncomfortable about potentially awarding the grand prize to someone who did not contribute money over someone who paid the \$100. Am I being overly sensitive? Is this arrangement even legal?

Risk-Averse

Dear Risk-Averse,

You are not being oversensitive. Let's explore related issues first. Employees should be barred from winning a prize, but volunteer sellers can buy tickets. It is unethical to pay fundraisers, but your volunteers are more like salespeople than fundraisers. So far, so good, but you are right that if the holder of a free ticket wins, the proposed incentive could cause a public relations disaster. There are safer incentives. Most state lotteries give a separate (and smaller but desirable) prize to the seller of the winning ticket. You should copy this model.

Dear Nonprofit Ethicist,

At my organization, the third staff person in two months has been offered a job at a higher salary. All three love our organization, want to stay and have requested that we match the higher salary. In each case, the person is an excellent employee. The most recent hire has been here for only five months but is performing at a significantly higher standard than even some of our long-term folks. Will this attrition keep snowballing? Should we request verification of this supposed other job offer? Is it OK to give one of these rookies a higher pay than a good (in some cases, even a star) staff person doing the same work but who simply has no "other offer" threat to wield?

Ying-Yanged

Dear Ying-Yanged,

Wake up. There is no good reason to match a job offer for a new hire. A threat to jump ship after five months is just plain unethical post-employment bargaining. Verification letters are not the solution. A friend at another agency could fabricate one. Besides, the real issue is your organization's salary structure. Take a close look at the pay for each position relative to the market. If you are below market, you need to figure out a way to raise the entire scale. Once you have an appropriate and adequate salary scale, do not counteroffer

unless it is necessary to hold onto a long-serving, star employee.

Dear Nonprofit Ethicist,

A board member's spouse has been accused of an awful crime against children. The organization in question serves youth. The inclination is to, perhaps regretfully, ask the board member to resign as soon as possible. Is there a special process for an unexpected resignation request? Who makes the decision? How is that meeting held? What questions of the board member, if any, should be asked, and how?

What advice do you have for saving the organization from being associated with the accused activity, without presuming actual guilt on the part of the accused? What would one say to reporters? Should one be proactive and put out a press release, and what would it say?

Worried

Dear Worried,

This is the kind of situation ethicists dread, because innocent people are caught in the middle. The problem is public relations. Every time the media covers the case, you can bet there will be a reference to the incongruous connection to your organization through the spouse. Perhaps reporters will question whether the accused had access to children in your care.

For the good of the organization, the board member should take a leave of absence until the case is over. This is not as final as resignation, but the board member has not been accused of wrongdoing. It is less awkward to request a leave of absence than a resignation. Besides, the spouse of the accused is probably embarrassed to face fellow board members, and as the case drags on, it can only get worse. A leave of absence might be a good solution for both parties. You could be doing your board member a favor by suggesting it. Maybe a close friend on the board could test the waters. Check your bylaws for the correct procedure. Bylaws must be respected, but most of them make allowance for excused absences. If not, you can amend them accordingly.

The Ethicist generally favors proactive responses to crises, but in this case any remaining privacy this person has should be respected. When asked about the situation by reporters, state the facts without elaboration. And until the case is over, postpone responding to questions about the possibility of a resignation.

Dear Nonprofit Ethicist,
I've just started a consulting job to improve the effectiveness of a volunteer mentoring program within a K-12 school system. Once a month, we check every volunteer against our state's sexual-abuse registry. The process even checks board members and other volunteers who have no contact with students.

I don't believe that this is the best use of staff time because the program employs better tools to protect the students: initial screening, training, continuing supervision, and the like. Experts, including our state police, tell us that criminal background checks and offender registries lose validity at the moment they are checked because an offender may be sentenced the very next moment.

I don't think, however, that our execu-

tive director is willing to give up this practice. I suggested that perhaps an administrative volunteer could complete this task rather than our organization's program staff. The executive director immediately said, "No, because I'd be the one holding the microphone if the volunteer lets someone slip through the cracks."

My question is, do I push for this program change—by having volunteer staff complete the check, having the check done less frequently, or by abandoning repeated checks once initial screening is completed—or do I drop it altogether? I think the task is busywork, that it does not do much to protect students, and that staff time could be better spent in other activities. I also respect the executive director's caution.

Frugal

Dear Frugal,

You and the experts are probably right, but so is the executive director. Where vulnerable individuals are involved, it is wise to be cautious. If anything goes wrong—perish the thought—your director must be able to reassure the public that the organization took every possible precaution to protect the children. Besides, this rigorous and continuous vetting puts everyone on notice that your organization has zero tolerance for inappropriate behavior. It tells potential sexual offenders seeking easy access to children to look for opportunities elsewhere.

Dear Nonprofit Ethicist,

I'm a board member of a small nonprofit. My executive director proposed sending a mail appeal announcing that the board would match contributions at a 1:1 ratio up to a certain limit. At a subsequent board meeting, I put the kibosh on this, but my concerns were not universally shared. The executive director had proposed including in the match limit funds already donated by the board, along with board

member projections for the rest of the year. I believe that announcing a match based on already planned board contributions is itself a gray area, and using already donated amounts is even worse. This would turn the advertised notion of having your money matched into a fabrication. I believe that in our small organization all the money would already have been given by the board members anyway, and the response would likely have far overwhelmed the few thousand dollars our board gives annually.

Watchdog

Dear Watchdog,

This cynical game is probably played more often than we know. You are right, especially because of the upper limit on the total match. Board members should be willing to risk a big success. Maybe your board would be willing to give whatever it gave last year, plus match dollar for dollar every gift from those who have not given in the past five years up to \$100 per gift. If you have 10 board members, each one is on the hook for no more than \$10 for every new donor. They pay whatever they can now and pledge the balance. This should be painless, and it would be a good investment. We all know that donors tend to be repeaters. The problem is getting the first dollar. To find new donors, orchestrate a campaign that challenges every donor to find a new donor.

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To write to the Ethicist with your query, send an email to ethicist@npqmag.org.

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