## Nonprofit Fundraising Crisis and Scandal? Donor Relations Time To Shine!

@donorguru



LYNNE WESTER

DONOR RELATIONS GURU



- Issue a topic of discussion, a matter in dispute or a sensitive subject within an organization, industry or society
- Accident an unexpected and undesirable event, usually one resulting in damage or injury
- Emergency a serious situation or unexpected occurrence that demands immediate action and communication
- Crisis a critical or decisive point at which an organization's response to an issue, accident or emergency threatens the reputation and/or future standing of the organization
- Goal: Prevent issues, accidents and emergencies from becoming crises

66

# AN OUNCE OF PREVENTION IS **WORTH A POUND** OF CURE

BENJAMIN FRANKLIN





#### Charities Deal With a Stream of Lawsuits From Disenchanted Donors

Challenges raise thorny questions about a benefactor's demands and a nonprofit's responsibility to adhere to them



By Debra E. Blum





## MALCOLM GLADWELL Revisionist History

The longer you delay, the higher the cost – \$\$ and reputation



#### MY LIFE IN DONOR RELATIONS:





#### What I think I'm Like:



#### My Reality:







#### 5 STEPS to SERVICE RECOVERY



Hear Empathize Apologize Resolve Diagnose

# Miami University donor gets 50 years for fraud

Staff, wire reports
Updated 9:34 a.m. Friday, April 9, 2010 Filed in Crime

None — ST. PAUL, Minn. — A federal judge sentenced fallen Minnesota tycoon Tom Petters to 50 years in prison on Thursday, April 8 for orchestrating a \$3.7 billion Ponzi scheme that counted hedge funds, pastors, missionaries and retirees among its victims.

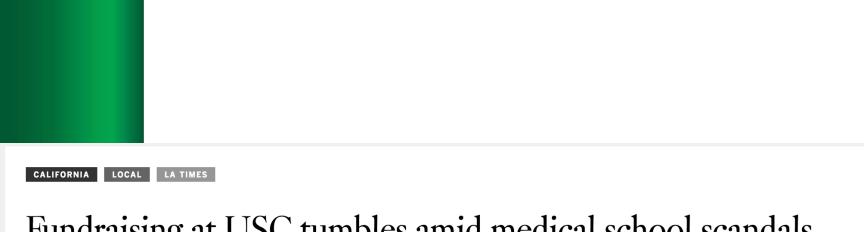
Over the years, Petters made millions of dollars in payments on gift pledges to Miami University. Donations totaled \$14 million in honor of his

#### Lesson Learned...

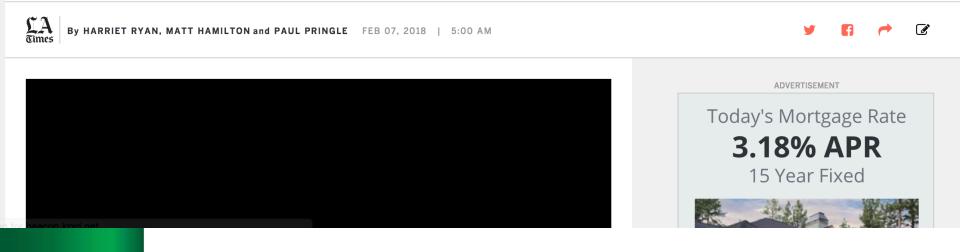


if it walks like a duck, quacks like a duck, and acts like a duck, it could be a dragon doing a duck impersonation.





#### Fundraising at USC tumbles amid medical school scandals



#### Lesson Learned



Scott Adams, Inc./Dist. by UFS, Inc.

# Madoff Haunts Yeshiva as University Slides to Junk: Muni Credit

Michael McDonald and Brian Chappatta January 21, 2014, 6:36 PM PST

Yeshiva University lost about \$100 million when Bernard Madoff, a trustee, was revealed to be a fraud in December 2008.



#### Lesson Learned

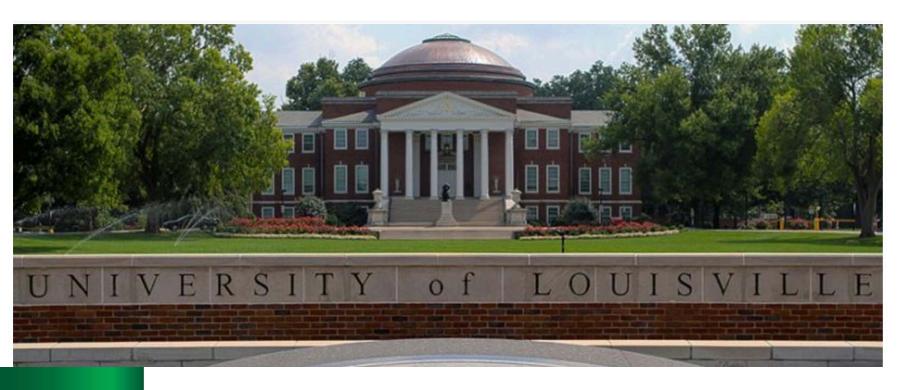


#### **Out-of-Control Foundation**

New report gives a blow-by-blow account of unbudgeted spending, unapproved action and endowment losses at Uni

By Rick Seltzer // June 9, 2017 14 COMMENTS Q





#### Lesson Learned



A crisis mindset requires the ability to think of the worst-case scenario while simultaneously suggesting numerous solutions. Trial-and-error is an accepted practice, as the first line of defense might not always work. It's necessary to maintain several strategies in your contingency plans and to be always on alert.

#### University of Texas at Austin Removes Confederate Statues in Overnight Operation

By JONAH ENGEL BROMWICH AUG. 21, 2017





Don't believe everything you hear: Real eyes, Realize, Real lies

— Tupac Shakur —





#### Livestrong adjusts to life without Lanc

Brent Schrotenboer, USA TODAY Sports

Published 8:25 a.m. ET May 4, 2016 | Updated 1:21 p.m. ET

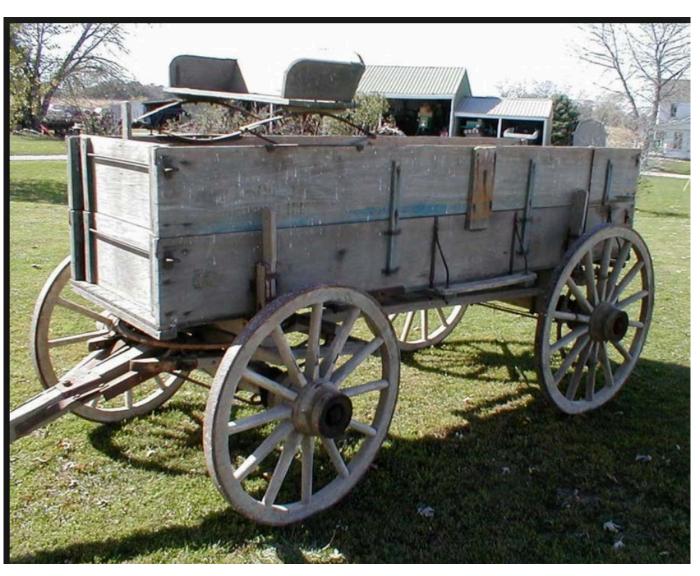


Four years after Lance Armstrong's departure from the Livestrong Foundation, the charity is a shadow of its former self.



#### Lesson Learned





#### PHILANTHROPY

ELSEWHERE ONLINE JUNE 01, 2015

## Wheaton College Removes Former Speaker's Name From Policy School Following Indictment

Following the federal indictment last week of former speaker of the House of Representatives J. Dennis Hastert, his alma mater announced it would remove his name from its school for economics, government, and public policy, *The New York Times* reports.

**TELEVISION** 

#### To Revoke or Not: Colleges That Gave Cosby Honors Face a Tough Question

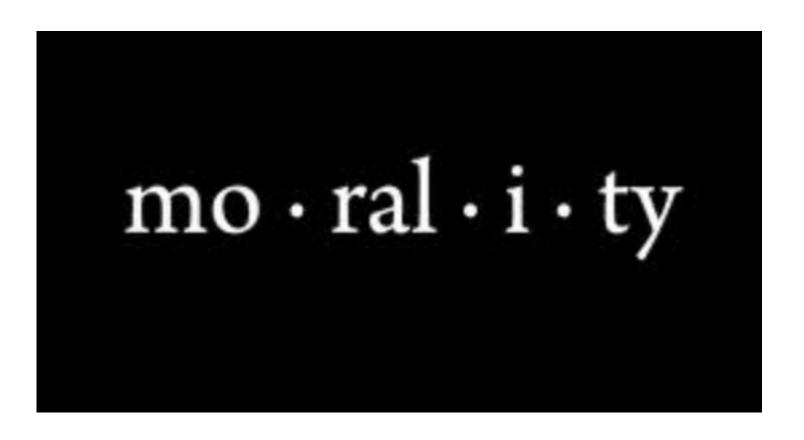
By SYDNEY EMBER and COLIN MOYNIHAN OCT. 6, 2015

Every spring for decades, a similar scene played out at colleges across the United States: Students picked up their degrees — and Bill Cosby stood alongside them.

#### Amid Misconduct Allegations, Professor's Name Stripped From Building

#### Lesson Learned





#### How Do You Lose \$250M?



What would have been the largest donation ever to a liberal arts college isn't headed to Centre College and it's not exactly clear why.

September 10, 2013 By Ry Rivard

A \$250 million donation to Centre College won't happen, and it's a bit unclear why. College officials and the head of a Bermuda-based trust offered differing accounts Monday of the massive deal's sudden collapse.



#### Donor Pulls \$100,000 Gift Over Westfield State President's 'Lavish Spending'

August 29, 2013

A donor has withdrawn a planned \$100,000 contribution to Westfield State College to protest what he called the "lavish spending" of President Evan Dobelle, whose personal charges to a university foundation account have him under intense scrutiny, The Boston Globe reported. John P. Walsh, who heads a cosmetics company, told the Globe that he was "appalled" at Dobelle's behavior, in which he reportedly made extensive (and expensive) personal charges for significant out-of-state and international travel, among other things. Dobelle released a statement to the Globe in which he said Walsh had never formally pledged the money he is said to be withdrawing, and that he expected a report to be released today to find that there were "no personal expenses at issue."

#### When College Scholarship Programs Falter

#### Wealth Matters

By PAUL SULLIVAN JAN. 22, 2016



#### **5 KEYS**



PROMPT
COMPASSIONATE
HONEST
INFORMATIVE
INTERACTIVE



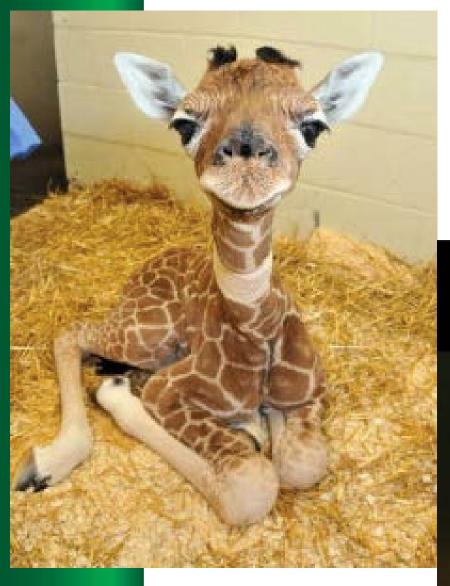


#### The Price of Perpetuity: Has the Renaming of Avery Fisher Hall Changed the Naming Rights Game?

POSTED BY DAVID BASS ON MARCH 31, 2015

Last year, colleges and universities raised over \$34 billion in private support. The vast majority of that figure were major gifts—many of which came with naming rights. Ideally, naming rights demonstrate the importance of philanthropy and honor the generosity, commitment, and, in some cases, vision of donors.

In March, Lincoln Center announced that Avery Fisher Hall would be renamed Geffen Hall. The Fisher name was conferred in perpetuity for a \$10.5 million gift made in 1973. Forty years later, the hall is in need of a\$300 million update. The original donor is deceased, but heirs have been known to litigate to enforce the terms of ancestral gifts. To create a new naming opportunity, Lincoln Center paid the children of Avery Fisher \$15 million in a deal that allowed the facility to be renamed.



# I HAVE A UNIQUE SET OF SKILLS

#### OVER ONE MILLION COPIES SOLD

foreword by Stephen R. Covey named of the Parasit of many streethed water.

### crucial conversations



7300

New York Thenes



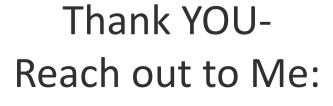


-Tools for talking when stakes are high

KERRY PATTERSON, JOSEPH GRENNY, RON MCMELIAN, AL SWITZLER

crucial conversations

**High Stakes** 





- Lynne M. Wester
- @donorguru
- www.donorrelationsguru.com
- lynne@donorrelationsguru.com





