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Money Money Money - Transcript

[Speaker 1]

Welcome to Charity Therapy, a podcast about building better nonprofits. I'm your host, Jess Birken. Hey, folks, welcome to your favorite nonprofit podcast, Charity Therapy.

Today I am back with my co-host, Meghan. How are you, Meghan?

[Speaker 2]

Hey, Jess, I am so good. Not to give too much away about the content of this episode, but I have had that ABBA song, Money, Money, Money, stuck in my head all day. Just a little teaser for you.

[Speaker 1]

Okay, okay. Yep. Very good.

[Speaker 2]

Very important.

[Speaker 1]

I can picture this is going in a fundraising direction.

[Speaker 2]

You are basically psychic, Jess. Good job.

[Speaker 1]

Also, I don't know why ABBA is really big, but my foreign exchange student is really into ABBA and so is my eighth grader.

[Speaker 2]

Really?

[Speaker 1]

So I've had to listen to that song too many times this year.

[Speaker 2]

I mean, I have a real love of ABBA, but I feel like I was the weird one in high school that loved ABBA, not a typical one. So that's fascinating.

[Speaker 1]

Yeah, I mean, I love ABBA, but I should clarify that they love the Mamma Mia musical.

[Speaker 2]

Okay, that does make more sense.

[Speaker 1]

And I do not love Meryl Streep singing ABBA songs.

[Speaker 2]

What?

[Speaker 1]

Yep, I'm sorry. I'm just putting it out there.

[Speaker 2]

Yes! You're cancelled.

[Speaker 1]

No, Meryl Streep is cancelled. Okay, stop screwing with ABBA.

[Speaker 2]

What? Oh my god, that's the most controversial opinion you've ever aired on this podcast. Meryl Streep is cancelled?

[Speaker 1]

What even is that musical about? They basically just took a bunch of ABBA songs and tried to like make a story.

Like, it doesn't even make any sense.

[Speaker 2]

No, it's campy and dumb. It's so fun.

[Speaker 1]

No, it's campy and dumb. And I just want to listen to ABBA.

[Speaker 2]

That is a positive in my mind, but that's fine. I realize we're not the same. I won't make you like it.

But I might respect you a little bit less now.

[Speaker 1]

Well, you know, them's the breaks.

[Speaker 2]

Yep, okay. All right. Anyways, back to the content of this episode.

It is about fundraising. So for a lot of our clients, there is a huge emphasis on making their donors happy. Which I totally get, like they're the ones giving you the money so you can do the things and stay in business.

But I know we've seen lots of situations where it gets totally out of control. So Jess, do you have an example off the top of your head where making your donors happy can go completely off the rails?

[Speaker 1]

Yeah, I mean, I have seen this many times over the years. And the worst cases usually involve like taking a piece of real estate that they shouldn't take. Or some kind of other in-kind donation like a weird vehicle.

Or a jewel. Or just something where somebody really wants to dump like an asset on the non-profit for write-off. And the non-profit doesn't know how to say no.

Or they don't have a gift acceptance policy. Or worse, they like think that they're going to get something out of the deal. But what they really get is an expensive thing to get rid of that sucks up a lot of resources in the getting rid of phase.

Sometimes I think this comes from like, yeah, sucking up to donors and not knowing how to say no. Which has a lot of roots in that whole like traditional like culture of philanthropy. Where we run around and like do whatever the rich people say.

But it can also have a lot to do with staff needing to get credit for a certain amount of donations. To the point that they will sort of like accept stuff that actually hurts. Or at least doesn't help the organization in order to make their numbers look good to their boss.

[Speaker 2]

Sure, yeah. So this is where it's like so important to remember that end goal of all of this is to serve the mission. Not to meet some metrics set out by your boss.

Or to like, you know, get money or status or whatever you think is coming from these different assets and things. And I realize you can't, you know, serve the mission without getting the money. So like there is a sort of like chicken and egg problem there.

But the primary goal needs to be what's good for the mission. And oftentimes bending to every single whim of every single potential donor out there just like doesn't actually help your mission. Yeah.

All right. So I have a really, really big meaty listener question for you. This is a little bit of a long one.

[Speaker 1]

Oh boy.

[Speaker 2]

Yeah. So are you ready?

[Speaker 1]

All right. I'm going to get out my knife and fork in a bit.

[Speaker 2]

All right. Let's do this. Dig in. I work at a relatively small nonprofit that serves a very small vulnerable population.

We were approached by two different donors last year who had very specific reasons as to why they would like to provide us funding. They said it would be for a program to support a very specific group of people in this small vulnerable population that we serve. This tiny subset of our population is basically a needle in the haystack.

That specific group is so small that it almost doesn't exist in the numbers that they think that it does. Our CEO actually lied to them last year about our number of potential participants, and that has now put us in kind of a bad place when we couldn't produce what they wanted. Yikes. I'm seeing it right now.

To add on to it, there have been other restrictions like our eligibility requirements that we put in place to make the search pool even smaller. We will not be removing or lightening up on any of these eligibility requirements. So, I've been repeating myself over and over that these donors' requests are not reasonable or sustainable for this program.

I've suggested different ways to grow the program, but I've been shot down by my supervisor. I was told this week that they will not be educating our donors on our population or making any adjustments to the program. I was told basically to just deal with it.

My issue is that we've struggled for six months and have found only a handful of individuals around the entire country that actually fit this tiny subset within our eligibility requirements.

Now, these donors are asking us to relaunch this program for a second year and to do more than we did last year.

They don't think we're spending their funds appropriately considering the small group that we've reached so far. They're not educated at all on the needs of our populations, and my CEO told me, do you really think they care? Just do what needs to happen to make them happy.

I honestly don't care about the donors' happiness because I'm more worried about this population that we serve. What do I do?

[Speaker 1]

So, this is a big one, and there's a lot of like vague booking in here. So, in the interest of protecting their anonymity, I'm like, what population? Yeah, what does that mean?

Why is it a needle in a haystack? Like, what is going on here? But I think we can still tackle this and just break this down a little bit.

So, first, let's tackle the issue of what the donors are asking for. And again, we don't have a ton of detail, but it's pretty obvious that the person writing in believes that it's not something that the organization actually needs to do. So, like, what about that?

Right? Like, why does that happen? And I would say, like, this can come up for a few reasons.

Like, maybe they just genuinely don't know. Like, donors sometimes believe something in their mind that's not proved out by the data. In the area that you're working in, like, you know better than the donor a lot of times.

And so, sometimes that means that donors might make a request or make offers with good intentions based on their assumptions. But it just, like, they don't really make sense. And that's why it's so important to cultivate a relationship with your donors and not just, like, take their money.

Because it's not just about the money. It's about getting them involved in understanding the needs of the community and engaged in your mission and understanding things. Right?

They're not just, like, a wallet that you open up and take money out of. So, this is perhaps a missed opportunity to show them the best way that they could be supporting your work. Right?

Also, it could be an ego trick. I mean, let's call a spade a spade. Sometimes people are rich, and they like the feeling that they get from giving large chunks of money.

And sometimes when we're talking about a lot of money, people give it because they feel important. And that's not necessarily a bad thing. I mean, like, my professor in grad school would always say that fundraising is a values exchange.

Sometimes the value being exchanged is them feeling important because they gave enough money to dedicate the MRI wing at the hospital to them. That's okay. But it can't only be about that.

Right? It has to be about the community we're serving. And, yes, they made it possible.

But sometimes it can be worth, like, getting somebody's ego involved. But not if it's going to waste your time and effort and resources on, like, a wild goose chase. So, like, you have to be careful there.

Okay? And then, like, another way this could break down is that there's some weird ulterior motive. Right?

And that's not always, like, a bad thing. It's not always, like, nefarious. Like, they're trying to get the needle in the haystack served so you'll really, like, give their cousin a new heart or whatever.

Like, it doesn't have to be, like, fraud. But sometimes funders have a particular project they worked on, and they picked you. And sometimes nonprofits find themselves working on stuff that's, like, outside of their mission because of these arrangements with the funder.

And so it's, like, you don't necessarily know what their motive is, but you've just sort of been, like, pulled into it. And so you don't want to be accidentally lumped into this, like, I'm on this ride with this funder for reasons I don't understand. Because then they're just hijacking the nonprofit for their own purposes instead of, like, respecting the fact that you have a mission and you're trying to deliver on.

So that's kind of, like, broadly what I'm seeing here. But there's just not a ton of detail to know, like, exactly what's going on.

[Speaker 2]

Right. And it's tricky because most of the time when donors are asking for something super, super specific that we may or may not want to or be able to deliver on, like, most of the time, no one has any, like, malicious intent or anything. But that doesn't necessarily mean that it's a good opportunity for your nonprofit.

Like, sometimes you have to say no to whatever this funder or donor wants you to be doing to protect your organization and your mission. But what's even trickier in this particular question, the person writing in, even with, like, no details, it sounds pretty clear that they don't have any voice in this decision to accept this money from this funder, or even, like, any direct contact with the people who are making these demands on the nonprofit.

[Speaker 1]

Yep. And that kind of brings us to the other, like, major, like, whoa, in this one is the CEO lying their face off. Yeah.

Yikes. Which is good fit or not good fit. That's never a good thing when you're lying to your donors.

Yeah. I didn't like some of those quotes that were in that question. And again, like, there's not enough here.

Like, why is the CEO saying just make them happy? Is it because they also are giving a big chunk of money for general operations? Is it because they have a longstanding history?

Like, we just don't know. Like, why does the CEO care to make this donor happy if they're asking for something that's, like, kind of wild and out there and very specific? I'm going to go out on a limb and just say they have an existing relationship and there are reasons why the CEO wants to keep them happy.

Yeah. This is the whole it's just like a problem in the sector, like all over the place. Right.

And there's this issue where if you can get money in the door now, then you can make the donor happy and then they'll give you more money later. Right. And there's this culture that we need to kind of be seen as perfect and we're going to perfectly accomplish everything that you wanted from us.

And we're not treating our funders as a strategic partner in the work we're doing. And there's this attitude that, like, talking to the funder would be terrible. Like, oh, my God, this is the worst case scenario.

Yeah. Like, you don't want that. Like, I've had other lawyers, like, tell me that.

Like, you don't want to have to talk to the funder. It's like, duh, duh, duh. Why?

Like, shouldn't we talk to the funder? Aren't they, like, kind of an important person in this conversation? It just feeds into the whole, like, donor demand and the toxic philanthropy.

And, like, you've got to have a two-way conversation. It's also a cultural problem that this ED or CEO is willing to lie and just tell their staff to do whatever we can to make them happy. I mean, talk about gutting your employee morale and your employee engagement and, like, their investment in the mission.

Like, ew. So, super obvious that the money here is leading everything and not the mission. And just personally, for me, as somebody, if I were on that team, I would be totally demotivated.

Absolutely. Just for what it's worth to this person, like, as you consider your next steps, is this, like, the culture of the organization? Is this the organization's values?

Like, is that how people behave at this organization? Like, is this representative of most people? And even if it's not, if maybe the CEO is new, just remember, culture starts at the top.

Right? So, if that is their outlook, they're going to be, like, polluting everybody's minds with that viewpoint. Right?

Yeah.

[Speaker 2]

So, let's say, like, the answer to those questions is yes. Like, this is how everyone at the nonprofit operates. This person that writes in is sort of the, like, one true believer who, like, wants to do things right and keep things moving properly. Like, what would you say to them in this situation?

[Speaker 1]

I had a similar conversation with a friend two days ago. Like, just remember, you can leave. You can leave.

Right now, it's 2023 and it's still a great employment market. Like, one person cannot change the entire culture of an organization no matter how much you would want to. So, if you're really, like, the lonely only in this situation and everybody is just like, yeah, whatever.

I'm going to make up the numbers, make the donor happy. Nobody's going to listen to you. There's no good culture here.

Might be time to move on.

[Speaker 2]

Then, like, what about the flip side? Like, what if this is a situation where the CEO is, like, completely acting out of turn? Like, is a bad fit with the rest of the organization?

I mean, obviously, we don't have these details. But in this imaginary world, let's just say that the CEO is, like, new to their role and they're just, like, not following the values and the culture of the organization. And this person is, like, noticing that.

Like, what would you say to them in that situation?

[Speaker 1]

That's really hard because it's a really tough position for staff to be in to have to sort of, like, report up or to use some playground language to tattle on the CEO to the board. I mean, that's, like, potentially a career killer. I would tread very carefully in trying to figure out, yeah, the CEO is acting out of turn.

But, like, how sure are you that they don't have the backing of the board in that attitude, right? Because it's pretty tough for staff to, like, go to the board. Not that it's mechanically difficult.

I mean, they're an email away. But it's a politically dangerous move, right? Like, you have to really know what you're doing.

And so really trying to, like, use some side doors to figure out what's the history here? Why are we making this donor happy? Kind of, like, just trying to figure things out more before you run off and, like, you know, bring your torches and pitchforks to the board for the CEO.

Because it could be your head on the chopping block. And sometimes it's just better to, like, move on gracefully. So that's a tough one.

[Speaker 2]

It's hard when they're the ones with the power in that situation. Yeah. And as you said, like, despite the fact that no one person can make or break culture, when it is the CEO that is making or breaking the culture, there is a lot of power there to change.

[Speaker 1]

And we don't know what other dynamics. Absolutely. We don't know if there's, like, a gender dynamic, if there's a race dynamic, if there's, like, any other dynamics here.

Like, is this a CEO who's been there for 30 years or is it, like, 30 days, right?

[Speaker 2]

Like, we don't know.

[Speaker 1]

There's just not a lot of context here. And a lot of those things are going to play into how you would respond to this or what is the best thing to do for you in your career. Absolutely.

[Speaker 2]

And that brings us to one of my big takeaways. So just kind of summing up this whole, like, kind of vague but also very meaty question, I think one of the most important things to pull out of this is that culture is key. You know, like, individual actions are what make up your culture, and they also reflect the culture that you are in.

So if things like lying to your funder is very normal within the organization, that is a concerning cultural landscape.

Yep. So both for staff members, for donors, for everybody, like, culture is very important within the nonprofit organization. Another big one, just thinking about fundraising in general, your mission is more important than any individual donation or funding source.

You need to be making decisions about what furthers your mission, not just what gives you more money in the bank account. And, you know, while that will always be a married couple there between the money and the mission, you have to decide which one is more important, and it should always be the mission. And the last big one that I would pull out here is just that donors don't get to choose what the organization does.

Just because a donor or a funder is asking you to pursue something that is outside of your mission or that you know is not going to work, you can say no. And you do not have to let a big-name donor or funder dictate how the organization is going to be run.

[Speaker 1]

Yeah. And you can bring them into your world and help educate them and bring them in as a strategic partner.

[Speaker 2]

And really get them invested in what your community needs and, you know, work with them, not just work with their wallet. Absolutely. Right on.

[Speaker 1]

Well, Meghan, your takeaways are amazing. Per ush. Thanks. Folks, if you enjoyed this episode, do me a huge favor. Share it with a friend. Rate, review, subscribe on your podcast app. It actually helps us out. If you have a story or a question, I would love to hear from you. Please send me a note online or leave a voice memo by calling 612-208-9120. Thanks, folks. Charity Therapy is a production of Birken Law Office, PLLC. Our theme song is by WhaleHawk and remember, folks, this podcast is produced for your entertainment and is not a substitute for actual legal advice.

About the Author



Hi, I'm Jess Birken.

I'm the owner of Birken Law Office, I help nonprofits solve problems so they can quit worrying and get back to what matters most – The Mission. I'm not like most attorneys, I actually have an outgoing personality, and – like you – I like to think outside the box. Most of my clients are passionate and have an entrepreneurial spirit. I'm like that too. My goal is to help you crush it. Getting bogged down in the minutia sucks the joy out of the important stuff. My clients want to do the work – not the paperwork.

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