ENGAGING DONORS’ TRUST

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Much has changed in the 50 years since the founding of the International Committee on Fundraising Organizations (ICFO). As ICFO approaches this time of recognition of its founding and work over these 50 years, it is appropriate that the organization, its members, and others in the nonprofit sector reflect on the history of charitable activity in the world and the trends that have developed over the last 50 years that inform the public on how the sector should be regarded. It has been argued that “we have passed from a period of capitalism to a period of imperialism, from a society of production to a society of consumption.”

During this period, there have been three trends that have reflected the change in economic structures and the power of money. First, there is the growth of the multinational corporation in the area of society’s institutions. Distribution takes place on a level with production, under which production subsidiaries are established in countries all over the world. Thus, there is a new economic structure that is no longer directed by commercial gain, but on the basis of industrial profit. We have passed from an international economy with firms located within the borders of a country and conducting business abroad, to a world economy with economic production networks having essentially annulled national division. Because of their multinational spheres of production, distribution, and operation, they are not as keenly affected by political changes as they were before, for they simply expand into other geographical and political areas notwithstanding the economic structures of these new areas, whether they are capitalistic, socialistic, or Marxist. The charity or public benefit sector has operated in much the same manner.

The history of ICFO may be said to have begun on 10 October 1957, when a group of representatives from a number of countries in Europe gathered together in Bonn, West Germany. Over the next several years, this organization became more formally established as the Commission Internationale Pour Le Controle Des Dons (also recognized as Internationale Kommission für Spendenordnung or Internationella Kommissionen För Insamlingskontroll or International Commission for Donations-Control). The membership, or as it was known initially, the cooperating institutions, varied to a certain degree over the first 10 years of its existence, but was largely comprised of organizations from Denmark, Germany, Finland, Norway, Sweden, and Switzerland, and during the latter portion of this period, The Netherlands. Although the agendas of these early meetings appeared to deal only with the type of standards that should be applied in connection with the methods for collecting funds by, and the auditing of nonprofit organizations, an important part of the thinking during these early years was the gathering and exchange of information from the national foundations monitoring charitable activity and the publication of a booklet that would contain information regarding the work of these national foundations. The goal for the publication of the booklet was to provide publicity for, and advance the missions of the national monitoring agencies and to promote interest in unaffiliated countries, such as France, United Kingdom, and Belgium. What is clear from this early history is that there was great interest in understanding the nonprofit sector, and specifically how it operated across national boundaries.

The purpose of this paper is to explore the role of charity and non-government public benefit organizations and some of the forces that drive its importance in society. The thrust of our consideration of this subject is not simply how public benefit organizations obtain the financial resources to advance their respective missions, nor is it a question of whether or not this sector should be regulated. If charitable and public benefit institutions are to have a role in society, then the question arises as to how volunteers and donors come to place their trust in their chosen charities so as to become involved in...
them in some meaningful way. For many volunteers and donors, the trust may arise instinctively. For others, the trust must be earned before volunteers and donors become engaged in the mission of charity. The history of ICFO and of its constituent participants over the past fifty years reflects this journey of attempting to understand the bond that exists between the public benefit institution and its supporting public.

Engaging Donors’ Trust Through Their Hearts

Throughout the course of human history, since the seventh century, B.C., when the coin was first minted, money has been central to human society. However, with the preoccupation during the last century to the making of money, there has been little attention given to the meaning of money. Indeed, there has been little attention to the culture of giving and caring that is so much a part of any dominant view of money. Thus, there is a gap, a blind spot, between the preoccupation with making money and the inattention to the meaning of money. There are several questions that naturally arise from this blind spot. For example, what is the meaning of money? What are the deepest motives for giving? Why should we care about those outside our own groups, especially the poor, the needy, the disenfranchised, those suffering from the absence of social justice, those who have experienced calamities in the form of earthquakes, floods, famine, and disease?

But at a time when more and more is being asked of the willing volunteer and the generous giver, most of the talk is of the “nuts and bolts” of philanthropy — taxes, law, foundations, and politics — with too little discussion of the wellspring of the great ideas of giving and caring.

There are other blind spots as well. The second might be that there is insufficient appreciation of the fact of giving, caring, and volunteering, even in countries with a strong philanthropic tradition. A third blind spot, particularly in the United States, is the neglect of individual giving because of the preoccupation with organized giving, such as focusing attention on foundations, associations of foundations, corporate giving programs, regional associations of grant makers, etc. Yet, the largest potential for philanthropic growth will likely come from individuals and families, rather than major foundations, corporate giving programs, and regional grant programs. Indeed, in North America, individual giving already accounts for approximately 90 percent of all giving. A fourth blind spot that is often ignored or forgotten relates to the beliefs and attitudes that give rise to a culture of giving and caring. The contemporary focus on institutional philanthropy has a secular cast that simply ignores any beliefs and attitudes that give rise to a culture of giving and to those ideas that are required to sustain it. Fewer than five percent of the research projects on philanthropy dealt with religion. Yet, religious organizations are the largest recipients of giving, and religious motivation is one of the strongest impulses for giving.

It does not take a great deal of insight to survey the world’s newspapers and publications, television and radio news reports, and the Internet to discover what appear to be intractable problems facing the world. There is the persistent problem of abject pov-
erty and loss of hope, often in the undeveloped countries of the southern hemisphere, where the benefits of globalization have bypassed the world’s neediest needy people. The civilized world is in peril and terrorist organizations continue to exist around the world, often in cooperation with, or in opposition to dictators. Somewhat related, although distinct in source, is the proliferation of religious ideology and power which tends to elevate “ordinary” conflict to a spiritual and apocalyptic level thereby increasing the threat of destruction, genocide, and displacement of significant populations or people groups. It has been suggested that half of the world’s population is dying of diseases for which there are cures, with many or most of these deaths occurring in countries of profound poverty. However, there are also diseases, such as heart disease, cancer, and diabetes that affect people in both rich and poor countries, and where the incentive to invent new drugs may not be sufficient to bring those drugs to poor countries. There is a looming energy resource crisis resulting in some measure by the restructuring of the oil industry, where nearly all of the world’s oil is government controlled by national oil companies rather than the major international petroleum companies that dominated the energy markets throughout most of the 20th century.

While there is a role for enlightened government policies and competent and honest public administration, in many places this is not enough. Effective governments can contribute to producing higher incomes, better living conditions, more effective social justice, and a cleaner environment, and frequently do. However, this is often not enough. International treaties, whether bilateral or multilateral take years, if at all, to negotiate and conclude, with a slight chance that they might be ratified as originally executed. There was a growing skepticism and taxpayer cynicism in developed countries about foreign aid and the massive bureaucracies required to respond to address the intractable problems of poverty, terrorism, loss of hope, disease, the denial of civil human rights and justice, and damage to the environment. Simply ignoring these problems to the extent that they may not invade our personal self-interests is morally unacceptable. Moreover, it is virtually impossible to obtain the required consensus to achieve the international, and even national, will to successfully address any of these problems. Thus, historically the critical difference in the lives of individuals has come about through the agency of individuals working together, often in mediating organizations, such as churches, charities, and other non-governmental nonprofit organizations, to advance the public good.

Many years ago, British sociologist Dr. Os Guinness observed that societies require mediating structures between the individual and governmental authorities if they are to function properly. These governmental authorities may include national, state or provincial, or local authorities responsible for regulating the activities and relationships within juridical area of responsibility of such governmental authorities. He argued, for example, that as a result of the impact of modernity, massive political and economic changes, brought about by international and national realignments, and the shifts from an agricultural and industrial society to an information society, the beliefs, ideals, and traditions, whether religious or civic, central to the idea of democracy, are losing their compelling cultural power. Although he addressed this in his analysis of American history and its asserted exceptionalism, much of what he has written in that context has a broader truth and application. Václav Havel, wrote in his book, Disturbing the Peace, that there is a wider crisis created by a collision between impersonal and irresponsible forces of modernity and the respective notions of humanness, morality, and the environment in different countries and cultures. Thus, people join together in family associations, trade groups, unions, clubs, churches, community organizations, and private, non-
governmental charitable organizations in order to encourage, or at least protect, those notions of humanness, morality, freedom or liberty, binding force of beliefs and traditions, and cultural authority which are central to a national identity and character.

With the rolling back of governmental programs and budgets, special attention that has been increasingly focused on money, giving, and caring, institutional philanthropy is facing a challenge. With charities and non-governmental organizations being expected to pick up some of the shortfall of government programs, the sector confronts the moral and mathematical dilemma of whether it can make up for the budget reductions occurring in the public sector. There is also the challenge of definition and how the philanthropic sector should be run. On one hand, there are those who emphasize acts of mercy and the need to relieve suffering, commonly called charity in domestic situations and relief in foreign aid contexts. Other hand, there are those who would emphasize acts of community designed to enhance the quality of life, such as centers for the arts, libraries, and educational institutions. Whereas, supporters of charity see their work directed toward the poor and the present situation, supporters of philanthropy see their efforts and emphasis directed toward society and the future, and in addressing long-term solutions. The former take their model from the example of Jesus and the religious concept of love. The latter take their model from the limited imperatives of ancient Greece and the example of Prometheus and the distinct concept of philanthropia.

There is a further challenge emerging from recent and dominant trends in the philanthropic sector. Thus, there is a managerial drive toward efficiency that may detract from the voluntary nature of giving, caring, and tending to the needs of people. With this emphasis on professionalism, there is a growing recognition of a new class of institutional bureaucracy made up of experts who could lead the nonprofit organization in directions that could well be different from those which were the aims of the founders. In a recent study, the researchers concluded that “the charitable sector will be increasingly drawn into an all-out ‘war for talent’ with the government and business sectors.” Nevertheless, the lines between the three sectors (nonprofit, for-profit, and government) are becoming increasingly blurred with respect to those seeking meaningful and rewarding careers where the opportunity to work for social change is a major factor.

Moreover, whenever we talk about money we tend to think of it through the eyes of the society in which we live. In our Western societies, this usually means from the perspective of economic systems. We do not think of money as something to be hoarded in some kind of treasure trove, representing only a form of wealth. Rather, we think of it as legal tender or of economic worth and power. To have money in modern discussion more often means to have spending power. Nevertheless, we cannot talk about money without thinking of the total economy. Money is linked to all economic phenomena and affects each of the others. Individuals cannot earn, spend, or give away money without becoming part of the complex interplay of larger economy. As a result, we subordinate moral and individual problems to the collective problem, to the total economic system. To a certain extent, we can solve these problems through our participation in mediating structures to which we become committed. We do so by volunteering our time and our money or material resources to causes we feel are important to our notions of morality, humanness, freedom, social justice, and the like.

Since the Middle Ages when there was little importance attached to the role of money in human life, there have been three essential perspectives on money and the power of money. Capitalism progressively subordinated all of life – individual and collec-
tive – to money. Money became the primary criterion by which humans and human activity were judged. First the state, the legal system, the arts, and churches submitted to the power of money. Material progress, technological achievement, political power and progress all found their sources in the power of money. Indeed, it no longer was viewed as merely an economic value. It became the moral value and ethical standard. Relegating money to a smaller role would mean putting the brakes on technologically progress and bringing personal and spiritual life to the forefront. However, this would also mean that money would no longer be the cause of global, collective, or social problems, and there would be no sides for one to take with respect to economic theory.

Socialism has been suggested as an alternative for it attacks what have been suggested to be unjust economic structures associated with capitalism. Thus, socialism seeks to obtain its appeal from the perspective that “to each according to his or her needs.” This raises the question, however: “How does socialism plan to achieve this goal?” Human life would be limited to work, to economic productivity and activity. All else is superfluous. Individuals are subordinated to their work which is mandated by the needs of the world community. In any event, there is little difference between capitalistic theory and socialistic theory in that in both, money has the function of measuring value, distribution and circulation, and capitalization.

For those raised in what has been regarded as Western Christianity, a solution has been sought through theological and doctrinal reflection. However, most who have studied this have concluded that there is no systematic Christian political or economic doctrine that proposes useful rules for living or for organizational schemes and structures. There have been a number of perspectives that have arisen throughout human history. One arising out of medieval Christianity and the Byzantine Church is economic structures and the use of money must not be based on the law of the world, but rather that the whole of society must submit to the Christian order. This has led to disaster and the denial of the very foundations of Christianity. Another perspective is that the Church must withdraw from the world under which there is a religious domain and a secular domain, and under which the Christian can do nothing. Christians live in an unanchored world and are free to use money just like everyone else. Yet another perspective quite prominent among modern Protestants, and particularly American Christians, is the concept of stewardship. Here the notion is that all material possession is from God and that individuals, and communities of individuals, must manage material possessions for the benefit of all creation, and be accountable to God for how material possessions are managed. Yet, this presupposes a certain conception of leadership by divine right, and the idea that fair distribution of the world’s wealth requires work from everyone.

Another trend, particularly in Western Christian circles, has been the theme of the poor and the oppressed. This most often appears in the disparity between the northern hemisphere and the southern hemisphere. The poor are the true representatives of God on earth. Apart from this, there is no dignity or value in poverty in and of itself. So, there is a shift in theological reflection from classical theology in which Jesus emptied himself of his divinity, power, majesty, and power to become the Poor One, to an idea of the poor as a sign pointing to something and someone bigger that they are. This has also led to the transformation of the theology of the poor to a political theory. The fallacy here is that, according to the Bible, Jesus did not meet with and speak about the poor as a social class or economic category, as a group. Rather, he always singled out individuals, specific poor or infirmed people to heal or to address their needs.
Notwithstanding the legacy of Karl Marx, Max Weber, Emile Durkheim, and others, social thought and sociological models of the late twentieth century have overwhelmingly been influenced by instrumentalist, choice-oriented models of human behavior. As a result, understanding of materialism has led us not to philosophy or theology, but rather to economics. It is thus possible to think of the caring role of charity, and of individuals, such as Mother Teresa, as suggesting that such caring behavior is merely a way of pursuing self-interest, or solely in terms of market-driven competition among various suppliers of charity or spiritual or religious goods. Accordingly, it becomes more difficult to examine charitable and religious behavior from an intellectual perspective other than self-interested materialism.

However, not only does the problem of thinking about materialism occur in the intellectual sphere. It also occurs in the national sphere and a sort of national identity associated with economic systems and models. With the waning influence of Marxism and the apparent collapse of world communism, we are left with capitalism, democratic socialism, and Christian socialism as economic and political means of understanding materialism. While capitalism seems to be accepted and justified on its own basis, our main concerns are often whether there are freer markets, governments that assist businesses more actively, and consumers more oriented to consumer goods.

A third development relates to the existential condition of our everyday lives. During the first half of the twentieth century, thinking about materialism and its effect on living was divided between the workplace and the home, each of which occupied separate spheres and each of which provided space in which to think about materialism. While materialism and self-interest might dominate the workplace, the home was a refuge in which cooperation, kindness, and other non-economic values could prevail. There also was a gendered division of labor. However, at the end of the twentieth century, these divisions of space and labor had broken down. With the advancement of the information age through television, computers, and wireless communication devices, materialism penetrated the home with workers able to perform their tasks from their homes. Economic decisions which affected the wellbeing of the family seemed to crowd out the emotional lives, spiritual nourishment, and the maintenance of values of civic responsibility and what had been thought of in ancient times as the good life.

All of this raises the question: What does this have to do with charity, the work of non-governmental organizations and public benefit organizations, and with the concept of monitoring such groups by organizations, such as those which comprise ICFO? Former U.S. President, Bill Clinton, in his book, Giving: How Each of us Can Change the World, wrote about the explosion of private citizens doing public good. He specifically noted that although energy and intelligence are evenly distributed around the world, opportunity, investment, and effective organizations are not. As a result, billions of people around the world do not have the chance to live lives to the fullest, and millions die needlessly every year. The point is that we live in an interdependent world and we cannot escape each other’s problems. In recent years, we have become aware of, and vulnerable to terror, spread of disease, and the potential effects of possible climate change, earthquakes, floods, hurricanes, tsunamis and the like. We know that in many parts of the world, and particularly in Africa, one in four people will die of AIDS, malaria, tuberculosis, and infectious diseases related to dirty or polluted water. Added to these natural calamities, widespread diseases, poverty, lack of adequate education, and lack of basic human rights, there is a growing political and social instability with global implications.
While it is true that materialism will vary over time and between places, and indeed, whether rich or poor company, there will be debate about society’s commitment or lack of commitment to materialism. There will always be differences between countries and indeed within countries at various times in their history with respect to the appreciation of materialism and non-materialistic values. The question is how these materialistic and non-materialist values are measured. Thus, the strengths and weaknesses of commitment to materialist and non-materialist values may be measured by assessing the degree of participation in voluntary associations, church attendance, blood donations, and other methods of altruism. There are some who would argue that the work of the social sciences is inevitably linked to moral obligation. Economic models and thought tend to predominate when a society is becoming more prosperous and materialistic, and where the unit of analysis is the individual. Where the subject is society at large, the focus is often on the irrational ways by which individuals take group needs into account and society is becoming less materialistic.

The question, however, arises as to the meaning of the word *moral* in this context of obligation. The most common usage of the term *moral* involves the concept of order. Sociologists want to know what holds things together. There is distrust in a purely utility analysis and utilitarianism which reduce the whole to an analysis of its parts. Therefore, sociologists argue that moral order can be sustained only when there is an imperative which channels and directs individual self-interest to some kind of common good. Society requires more than self-interest.

However, maintaining moral order requires rules. Such rules may take various forms ranging from informal norms to codified laws. All human societies acknowledge moral rules, and moral rules are obviously central to the organization of society. The specific moral content of the rules may vary depending upon the cultural values and historical setting of any particular society. Yet, there are some rules which because of their nature achieve a certain universal quality. The idea of universality and unchanging nature of moral rules, however, is in conflict with one of the recent trends in sociology and law, which is that people are active participants in shaping their own lives, including the rules by which they live. Nevertheless, moral rules define how one ought to treat others, and in that sense, there is an obligatory nature to them.

This raises the question that if moral rules exist, why would anyone obey them? One answer may lie in some of Western social thought that human beings are predisposed by their very natures to feel a sense of sympathy with, or concern for others. Therefore, before the existence or sense of any rule comes an instinct or drive that makes it possible for human beings to organize their lives and “society” on some basis other than mere aggression. Although there may be a suspicion in modern times that nature is not an answer to this concept of an innate moral sense, there are those in recent times that argue that most people instinctively rely on a moral sense. The argument is that most people instinctively rely on a moral sense, but that it is not always strong enough to withstand a persuasive and sustained attack. This does not mean that people with a developed moral sense are necessarily innately good. Moreover, not all people engage in what we might call moral reasoning in which they make choices and decisions on clearly thought out, and articulated logical moral reasons. However, most people do not break the law most of the time, not because they worry about getting caught, and experiencing the consequences of breaking the law. Rather, it is also because their consciences forbid doing what is wrong.
While many take for granted the predictability and peacefulness of most human interaction, philosophers and social scientists do not as they search for principles that account for the existence of social order. Explanations tend to fall into two categories. The first is rationalistic and individualist. Order exists because the opposite of order is too horrible to contemplate. It may exist as a result of a sovereign power, imposing order regulating all things, or it may exist because there is a self-regulating system of individuals linked together by economic and market transactions, with individuals pursuing their respective self-interests. A second explanation is normative and communal, where order exists because of a system of beliefs held by members of a given society setting limits as to what is acceptable. However, neither of these explanations is entirely satisfactory. No government can have authority by force alone, and few agreements determined by normative and communal consensus based on a system of beliefs and sentiments will be observed if the only fear of reprisal compels their observance. Thus, the individual or organization that obeys the law or observes a contract must do so, in part, on the basis of some sense of duty.

The question of why one, whether individually or communally through the agency of government or non-governmental measure, should be concerned about the poor, the ill, the disenfranchised and oppressed, the environment, animal, fowl, and sea life, for example, presses itself upon us. Why should any individual or organization seek to act through the province of charity to alleviate hardships of people around the world? Why should any individual or organization be concerned with the civil rights and justice outside their own spheres of life? Is it possible that individuals would have no objection to governments taxing the people to provide for the amelioration of suffering in distant lands or the protection of the environment on a global scale, when there is little immediate benefit to the citizens of the taxing authority? In other words, what drives our charitable impulses to address suffering of people in far-away lands, to promote religious beliefs of people within our immediate community as well as those in distant communities, and to promote the preservation of the environment and non-human life around us? How does a public benefit civic organization or religious community finance accomplish its particular mission through the enlistment of volunteer labor and financing?

James Q. Wilson suggests possible ways of looking at these questions in his discussion of moral sense and sentiments. He first identifies sympathy, as a sentiment or moral sense that is common to human existence. All one must do is remember the reaction of people to a great catastrophe, such as a flood, famine, earthquake, or major fire, that may take hundreds or even thousands of lives. We are all affected in one way or another by the distress or pleasure of others, even if that other is a stranger, animal, or fictional character. It is true that after experiencing these feelings, we often return to our own issues of the day. Altruism is the exception; self-interest the rule. Individuals frequently give to charity, but often only because they want the recognition, the applause, and in certain countries, the tax deduction. Sympathy is the human capacity to be affected by feelings and experiences of others, and sometimes leads to act altruistically. Even if it does not induce the individual to act benevolently, it frequently is a source of the moral standards by which we judge others and ourselves.

The second sentiment or moral sense, and the one most early observed in children, is the moral judgment of fairness. In children, as they grow older, this many involve more than a sense of sharing, of some limits on the assertion of self-interest as it is defined within space and time. Self-interest may be understood as involving the future as well as the immediate in terms of consequences. The idea of fairness involves the con-
cept of sharing and sociability whereby one acquires friends, the concept of equity, reciprocity, and impartiality, and the ideas of the possibility of ties of friendship, affection, and mutual trust, all of which involve, in some way moral judgment.

Aristotle, in his *Nichomachean Ethics*, emphasized self-control and temperance high on his list of virtues. Self-control is a problem, according to Wilson, when one is faced with the choice between an immediate pleasure and a more distant one that is of greater value. However, for self-control to be virtuous, “it is not enough that the most distant pleasure be greater than the immediate one; it is also necessary that the more distant one be more praiseworthy.” Departures from self-control are generally regarded as moral problems, and, therefore, social conventions ranging from rules of etiquette through praise for hard work and the practice of self-control, to condemnation of vices are ways of reinforcing the controls that make us humans and reminding us of our disposition to human failings. While it is clear that moral judgments do frequently settle social policies, they do not always do so, particularly when departures from certain social policies do not result in the sanction of law. Nevertheless,

People take self-control seriously because in routine matters it is useful and in large matters it is essential. It becomes a dimension of morality to the extent that it implicates the fundamental features of man’s social nature; the respect for and the obligation toward others with whom we spend our lives or from whom we expect important benefits.

The last moral sense which Wilson identifies is duty. The idea of duty simply means being faithful to one’s obligations. We may, for example, contribute small or even large sums to charity with no recognition except a receipt printed out by a computer. We customarily obey the law even if there is little chance of detection and punishment. Thus, duty exists to the extent that people are willing to honor obligations even in the absence of social rewards for doing so, or punishment or social reprobation for failing to do so. In time of war, the question that might arise as to what duty requires, becomes a matter of life and death. The capacity of people to act on the basis of conceptions of duty and honor suggest that these are not matters of natural sociability. Practices such as voting, conserving energy and water in times of scarcity, and contributing to public benefit projects and group enterprises are all related to a sense of duty that is strong enough to cause people to act irrationally in terms of satisfying their own self-interest concerns.

One might assume, based on what is reported in the press and media, and perhaps observed on television, that the charity sector is comprised largely of major national and international charitable organizations, which raise vast quantities of money on a worldwide basis, and provide relief and development on a large scale in response to disasters and major calamities, poverty and hopelessness, disease and famine, war and major displacement resulting in migration of refugee groups. However, such is not the case in most countries, particularly those who have participated in the work of ICFO. If, as in the United States, most of the charitable activity and public benefit work is local and relies on a limited number of donors and volunteers and small budgets, then the motivations for participating in such endeavors would seem to be related to the personal knowledge of, and commitment to the work of the charity without the need for some regulatory regime. Personal motivations and relationships may be more important to the decision to
donate to the cause than a rational evaluation of the organization’s administration, finances, and fundraising techniques. Nevertheless, donors’ trust must be engaged intellectually in this era of postmodernity if the charitable enterprise is to be successful in contributing to the welfare of society. While the national monitoring organizations appear to focus on the financial factors that may affect potential donors’ decisions, questions about transparency and integrity, public benefit and civil society, and internal control and governance are moral questions requiring subjective judgments on the part of both the donors and the monitoring organizations.

**Engaging Donors’ Trust Through their Minds**

It is interesting that in addressing the seventh conference of the International Commission for Donations Control (the predecessor organization to ICFO), Dr. I. Samkalden, the mayor of Amsterdam, welcomed the participants observing that in the Netherlands, the methods for collecting monies for charity as they existed 100 years ago are no longer acceptable and that today sympathy was expressed in different ways. He continued, saying that more than ever before, personal engagement was necessary rather than simply placing a financial contribution in a collecting box. Moreover, it was now possible for the first time to appeal to the public for causes removed from home and country.

Lutz Worch, a former president of ICFO, presented a paper and briefing during the annual meeting in Zürich, Switzerland in late April and early May 1991, that picked up some of these themes. In his paper, “The Ethical Basis of Charitable Solicitation,” Mr. Worch observed that:

Charitable solicitation takes place on two levels. One, the acquisition level, which is guided by emotion and intellect, and secondly the monetary level, which is defined by the cash flow pertaining to solicitation, administration, and other areas of operation. The former is marked by motivation and conviction; the latter by the amount and effectiveness of the means (cost-benefit analysis). Fund raising advertisement bridges the gap between these two levels.

Mr. Worch made an interesting and important point, writing that charitable solicitation has developed into an indispensable source of income within the framework of wealth re-distribution in Western industrial countries with Christian cultural values. Thus, “ethics and morality are in effect the internalized measures of orientation for the donor.”

The questions arise as to why the methods of collecting for charity as they existed a century again are no longer acceptable, and how the solicitation of funds for charity bridges the gap between the motivation and conviction for giving to charity and the interest in the effectiveness of charity. The nature and challenges of modernity and post-modernity suggest some of the reasons why what may have been acceptable in the past
in terms of collecting for charity is no longer acceptable. Whereas, modernization generally refers to change in a given era and suggests contemporariness brought about by scientific and technological achievement, modernity refers to the character and systems, of the world, particularly the institutions, modes of behaviors, and social relations implied in widespread use of material power and machinery in the production process. Thus, on the one hand, there is technological achievement associated with the modern information age which impacts day-to-day social life, including concepts about the role of law in society, and undercuts traditional beliefs, habits, and customs. One of the most distinctive features of modernity is an increasing interconnectedness between the two extremes of extensionality and intentionality, namely, globalizing influences on one hand, and personal disposition on the other.

As a result, there are some characteristics of modernity that define the role and nature of giving to charity, humanitarian causes, and cultural causes. One is that it is a post-traditional order, but not one which replaces the sureties of tradition and habit with certitude of rational knowledge, such as suggested by the Enlightenment. As a result, doubt is a pervasive feature of modern critical reasoning. To be more specific, modernity institutionalizes the principles of radical doubt and insists that all knowledge takes the form of hypotheses. Thus, all claims and principles are open to revision and may be abandoned at some point. Commitments to religious, humanitarian, charitable, and cultural causes become more fluid and subject to change, even to the point of loss of any firm commitment to a particular cause. Relations exist solely for the rewards the relationship can deliver. Moreover, in an information age with instant availability of data and the explosion of knowledge, there is the belief that harnessing this knowledge offers the key to instant, total information. The goal is to know everything so one can control everything.

Another characteristic is that there is no truth; that ideas of an individual may be in flux, interesting, creative, and even important for that individual, but they cannot be rejected on the basis of exclusive truth claims. Since ideas cannot be rejected, individuals and groups making such truth claims are marginalized and ultimately rejected as narrow minded, bigoted, extreme, or out-of-date traditionalists. This results in the rejection of moral questions posed by daily life, including those that would otherwise form the internalized motivations for the potential donors.

A third characteristic is the growing importance of a “new thinking class,” where expert knowledge is pursued as an end in itself. Specialized knowledge which can only be understood by specialists creates a gap between the experts and ordinary people. Scientific, technological, and psychological techniques to appeal to potential donors are frequently not fully understood by the general public that respond to such appeals. The result is that people either do not give in response to specific appeals for religious, charitable, humanitarian, or cultural causes, either because they cannot trust their impulses to give under such conditions, or they give without fully appreciating the reasons for their giving. As Mr. Worch noted in his paper, a successful and long-term donation policy may not be carried out without the ethical-moral tie between the donor and the charitable organization.21

There are several trends that emerge from these characteristics that are important to our consideration of the subject of engaging donors' trust, both of which have positive and negative effects. The first is privatization which focuses on the private sphere of life as a special area for expression of individual freedom and fulfillment. Its benefits include
opportunity for individual freedom, more travel, more economic consumption and consumerism, and freedom from the restraints of community, tradition, and influences of other people. However, privatization is also limiting in that it restricts ideas of religion and morality to private and personal preference, family, and private associations. The second trend is pluralization, or the process whereby the number of options in the private sphere multiplies at all levels, especially with respect to worldviews and ideologies. While this may be regarded as beneficial for the variety and richness of life and life experience it brings to society, it also results in an increase in choice and change, which results in an automatic decrease in commitment, continuity, and conviction in relationships, ideas, worldviews, and faiths. Thus, without some source of authority in society, moral order would collapse. It is in the context of these characteristics and trends that one can understand more clearly the point that Dr. Samkalden, the mayor of Amsterdam, was making in his welcoming address at the ICFO conference in Amsterdam in 1968. This is also the context that defines the work of ICFO’s monitoring members.

It seems clear from the historical record of ICFO, that at the time of the formation of Commission Internationale Pour Le Controle Des Dons, there was growing interest in Europe with respect to the work of public benefit organizations, which were identified as "fundraising organizations." Moreover, it would seem that this interest was what was prompting the early efforts of the national bodies that came together to form the Commission Internationale Pour Le Controle Des Dons to bring about some basis for their serving as “bridges of trust” between the potential donors and the charitable fundraising organizations. The national bodies which met in Bonn, West Germany, were largely social research institutions and were not directly involved in monitoring and accrediting public benefit organizations as we think of that activity today. There were annual conferences in Bonn in 1958, Bad Godesberg, West Germany in 1960, Malmö, Sweden in 1961, Copenhagen, Denmark in 1962, Zürich, Switzerland in 1964, Koblenz, West Germany in 1966. By 1968, the seventh conference of the Commission Internationale Pour Le Controle Des Dons, the general purpose of this organization was more clearly formulated and a new name adopted from the Swedish suggestion, Internationella kommitten för insamlingskontroll (International Commission for Donation-Control) in Amsterdam.

One of the issues that arose was the question as to which government or non-government agency was to perform the monitoring of charities. Suggestions ranged from the Ministry of Justice, to the International Chamber of Commerce. In any event, the consensus was that rules or standards would be required to insure some level of uniformity, particularly with regard to fundraising organizations raising money in one country for use in some far away land. While recognizing the difficulty of prescribing such rules, there was recognition that there were principles or standards extant that were in common practice but that had not been written down.

This history, however, cannot be adequately understood without some understanding of the work of organizations monitoring charities at the national level. Of the early national partners of the Commission Internationale Pour Le Controle Des Dons, the Deutsches Zentralinstitut für soziale Fragen (DZI) from Germany was the oldest and best established. DZI was member of the Arbeitskreis Spendewesen der deutschen gewerblichen Wirtschaft, one of the founding members of the Commission Internationale. DZI was established in 1893, initially with the goal of cataloging social institutions in Berlin and publishing a book, known as the Graubuch containing the catalog of these institutions. This goal was expanded in the course of the decades following World War II to include the maintenance of a computer-supported documentation service on the basis of
a professional library and the development of a welfare archive as a center for collection, information, and research in all areas of social work. DZI’s donor advisory service was started in 1906.

In Switzerland, the Zentralstelle für Wohlfahrtsunternehmen (ZEWo) was founded in 1934 as an independent association initially as an information office with the main task of protecting donors against what would be regarded as fraudulent solicitation. Several years later ZEWo provided a means of distinguishing reputable and trustworthy nonprofit organizations with a seal, granted to those nonprofit organizations that have satisfied all of the standards of ZEWo. In essence, ZEWo was then and is today a Swiss monitoring agency for charitable fundraising agencies promoting transparency and integrity in the handling of donated charitable funds.

Norway’s Innsamlingskontrollen I Norge (IK), another early participant in the formation of Commission Internationale Pour Le Controle Des Dons, was founded in 1947 by the Norwegian trade and industry organizations. The trade and industry organizations were at that time the largest contributors to philanthropic purposes. It was established as a voluntary control association for nonprofit organizations collecting money for charitable, humanitarian, and cultural purposes, with its main purpose to ensure that registered organizations met the IK standards or Control Regulations. It evolved into a new organizational structure in September 1991.

Another early participant in the formation of Commission Internationale Pour Le Controle Des Dons, was Sweden’s Stiftelsen för Insamlingskontroll (SFI). Sweden’s SFI was created in its embryo form as Näringslivets Granskningsnämnd in 1943, by the federation of Swedish industries to monitor funds raised in cooperation between the industrial companies and their workers and employees. Initially, the funds were used to support the State of Finland and refugees from Denmark. SFI, as it is presently constituted, was established in 1980 with the objectives to provide adequate control of public fundraising, primarily for humanitarian, charitable, and cultural purposes, to restrain fundraising costs in relation to the funds raised, to apply sound marketing methods in connection with fundraising, and to develop appropriate fundraising methods. As a result of an agreement between the Swedish Post Office and SFI, SFI has maintained at its disposal control giro accounts, which are accounts starting with the number 90 in connection with its monitoring activity.

Separate historical records for Denmark’s Erhvervenes Indsamlingskontrol and Finland’s Nämnden für Understödsgrananskning or Avustusten Tarkkailulautakunta were not available in the historical records of ICFO. Nevertheless, they did not appear to participate in the activities of the International Committee on Fund Raising Control after 1981.

By July of 1965, the Stichting Centraal Archief en Inlichtingebureau inzake het Maatschappelijk Hulpbetoon voor Nederland of The Netherlands had joined the Commission as a participant. Established in 1925, the name and purposes were changed several times over the years, with the name ultimately becoming Centraal Bureau Fondsenwerving (CBF). The aim was to promote responsible raising and disbursement of funds in the Netherlands, including monies obtained from gaming license holders, by and for charitable, cultural, scientific, or other legal entities with public benefit goals.

The point is that these organizations that created the Commission Internationale Pour Le Controle Des Dons were already established charity “monitoring” entities in their
respective countries. Except for Switzerland’s ZEWO, which granted seals to charitable organizations based on their compliance with established standards, all of these monitoring organizations were primarily engaged in research, gathering information regarding fundraising organizations, and providing information regarding such organizations to the public.

There were a number of matters addressed at the International Commission’s conference of 1968 that are relevant to many of the current discussions in ICFO. For example, there were three problems raised that relate to recent discussions concerning disaster relief: First, are there ways to unify disaster relief efforts from the various countries? Second, in the case that funds in excess to the required relief efforts are raised, how should such excess funds be handled upon completion of the disaster relief project? Third, there was the question of the desirability of establishing a calamity fund reserve. There was little consensus in response to these questions other than to suggest that unification of efforts would generally be impossible because the customs and conditions in each of the countries were different. Therefore, any relief efforts in these cases should be subject to the customs and practices in the various countries. Further, much of the relief activity was regarded as the responsibility of the respective governments in which choices were made based on recommendations from agencies of the United Nations. Organizations, such as, UNICEF, the League of Red Cross Societies, Save the Children, and similar relief and development agencies appeared to be well-recognized and credible organizations raising funds for development in undeveloped countries, supporting the temporary relocation of children refugees from Vietnam to European cities and then to provide to their return to Vietnam, and supporting efforts in South Africa designed to assist the victims of apartheid. However, much of the emphasis in this meeting and in the earlier meetings of ICFO was the reporting by the participating countries on their activities within their respective countries.

The eighth annual conference of the International Committee on Fund Raising Control was held in Helsinki, Finland in June 1970. Among the decisions made at this meeting was the decision to reverse the earlier decision to prepare and publish a comparative study of member organizations. However, on a substantive basis, the International Committee on Fund Raising Control addressed the methods by which fundraising was taking place, how fundraising costs were allocated and accounted for, the appropriateness of fundraising by professional fundraising intermediaries or agents, control of the use of funds in countries other than the countries in which they were raised, and the substance of a questionnaire for collecting this kind of information from charities or fundraising organizations. By this time, the International Committee had a committee structure in place to propose actions addressing each of these matters. Moreover, by this time there was a formal means for the presentation of country reports to the Committee from the national member entities. Also, by this time, the Committee had solicited the advice and participation of the accounting firm, Price Waterhouse & Company with respect to the accounting and control of funds raised in one country and used or disbursed in another. This was also the first recorded meeting in which the Committee president met with representatives of the press, radio, and television to discuss the work of the Committee.

The tenth conference of the International Committee on Fund Raising Control was held in Copenhagen, Denmark in September 1974 and reflected the growing maturation of the Committee. Matters of policy, involvement in international affairs, and proposed national legislation included the Committee’s interaction with authorities in revisions to the ICC Code of Advertising, the drafting of the Council of Europe’s tax treatment of non-
profit organizations, proposed new legislation on public subscription in Sweden, as well as the legislative situation in the other member countries, the costs of fundraising, and the difficulty associated with formulating a general and acceptable standard with respect to those costs for the European countries. However, the majority of the discussion focused on a number of large international nonprofit organizations that were raising funds through their various affiliates in member countries for use in other countries. These included The African Medical and Research Foundation, the Albert Schweitzer Hospital in Lambarens, Gabon, Africa, the International Planned Parenthood, Amnesty International, Terre des Hommes, Deutschland, Medico International, Hilfsaktion Vietnam, and the Defense and Aid Fund. It appears from the minutes that a number of these organizations were regarded as too politically oriented and that the legitimacy of their programs was questioned, both by the member organizations and the respective governments. Moreover, the activity at this conference suggests that except for Switzerland, the individual national members were engaged in preparing reports on the nonprofit organizations raising funds within their countries, rather than issuing seals certifying compliance with established standards or of accreditation as is the current practice. Nevertheless, then as now, there was considerable discussion of specific fundraising organizations that had attracted attention in a number of the representative countries.

There had been some communications between the International Committee and the National Information Bureau (NIB) in New York City that ultimately led to NIB becoming a participating principal in the International Committee. It is unclear from the historical record just when NIB joined the International Committee, although it appears to have occurred sometime between the 1974 conference and the 1976 conference. During the International Committee’s conference in Copenhagen (1976), there was considerable discussion concerning NIB’s publication of its monthly “Wise Giving Guide,” which rated national nonprofit organizations against the NIB’s Standards. Much of this discussion centered on the NIB Standards themselves and the desirability of the members of the International Committee to adopt those Standards with some appropriate alterations as the Standards for the International Committee. Although no agreement was reached in this regard, an ad hoc subcommittee was appointed to draft Standards to be approved by the International Committee.

There is no evidence in the record that the Statutes of the International Committee on Fund Raising Control were approved by formal action of the Committee members. The Statutes were included as an annex to the minutes of the 1976 meeting in Copenhagen, and the minutes reflected the fact that they had been sent to the members on 17 February 1976. According to Article 2 of the Statutes, “the general objective of the Committee is to co-ordinate the Principal’s objectives on the international level.” The Statutes were quite brief and indicative of a much more passive Committee than had appeared to be the case during the 1960s and early 1970s. For example, the Committee was to meet in plenary sessions every two years, and according to Article 8, the decisions of the Committee in plenary sessions were to be regarded as recommendations to the principals, i.e., the national organizations that were the members of the International Committee. Article 3 of the Statutes defined these as national institutions within the business or social sector with the aim of arranging and exercising direct control over public fundraising, or advising contributors in order to introduce and maintain sound standards in philanthropy. The Committee was comprised of the President, the Vice President, the Secretary General, and Delegates which were elected by the principals. However, there were no terms of offices prescribed for the officers of the Committee. The
business of the Committee was to be performed by the Secretary General in consultation with the President.

Similarly, there is no evidence in the historical record that the International Committee on Fund Raising Control met again until its meeting in early June 1988 in Stockholm, Sweden, although there is the suggestion in a letter dated 17 June 1981 from the Committee President, Ernst Frick, that there had been a meeting in 1978. In that letter, Mr. Frick informed the Committee of his decision to resign immediately from the presidency of the Committee, saying that he had been President since 1961, and that because of his age, he was resigning from all posts from institutions, business boards, and other committees. Mr. Frick had informed the Committee that he had found a replacement, and also that he thought that the Committee would find a new Secretary General in time to have its conference which was then scheduled for sometime in 1982.

Although there was a meeting of the International Committee in June of 1988 in Stockholm, there is every indication from the extant minutes that the organization remained essentially dormant from 1981 until May of 1989. According to the minutes of the general conference in Berlin, Germany during the period of 24-26 May 1989, this was a major turning point in the direction of the Committee. One of the decisions made was to change the name of the “International Committee on Fund Raising Control” to “International Committee on Fund Raising Organizations (ICFO).” The stated reason for this change was that the participants concluded that with the use of the word “Control” in the name of the organization, a wrong impression was given to institutions and donors because control presupposed some form of regulatory authority, a power that none of the participating members had in their respective countries.

However, the importance of this meeting was the intention to become a much more aggressive organization with a more significant role than simply providing for the exchange of informal information. It seemed quite clear that the members recognized some structural weakness. It appears that by this time, Denmark and Finland had dropped their membership in the organization. Thus, there was significant discussion and emphasis place on the desire to expand the membership and reach of ICFO. All the countries of the then European Commission, together with Denmark, Finland, Norway, Sweden, and Switzerland, as well as Britain, the Republic of Ireland, Greece, Canada, and the United States had charity registration and supervisory institutions that could be members of ICFO. The French Ministry of Interior performed some critical monitoring of French charities. There was discussion to expand the membership to include the Better Business Bureau (BBB), Council for Philanthropy’s Philanthropic Advisory Service, and the Evangelical Council for Financial Accountability (ECFA) in the United States, a monitoring institution in Canada, and similar organizations in Australia, Austria, Japan, New Zealand, Spain, and Portugal. Assignments were made to individuals to contact potential institutions in these countries, and the decision was made to invite representatives from Australia, Canada, Israel, and New Zealand to the next meeting as potential associate members. The criteria for membership in ICFO required that only those organizations which could make statements indicating sufficient representation in their respective countries and that had the requisite competence and capacity to perform the goals of exercising some level of control or monitoring over the public fundraising (charity) sector, thereby maintaining sound standards of philanthropy, would be eligible for membership. The decision was made not to pursue Eastern Block countries for capacity reasons at that time.
The members also made a number of decisions at this meeting that shaped the structural nature of ICFO and strengthened its effectiveness as an international organization. Prior to this time, decisions were made by the Committee as a whole at the plenary sessions of the International Committee on Fund Raising Control. There was no evidence that these decisions, such as they were, carried any weight or authority. The delegates authorized a “suitable juridical” form to institutionalize the Committee. The residence of ICFO would be Amsterdam, which meant that ICFO would be chartered in The Netherlands. The decision was made to issue standards which would be based on a pluralistic form of society and on a democratic-political system. The standards were to account for the fact that the governing boards were to be active and that members were to serve on an honorary and voluntary basis, that reasonable reimbursement of expenses was authorized, the maximum number of members serving on the board, the number of required meetings per year, and the quorum required for such meetings. The standards to be developed were to require that the goal of the monitored organization must be unambiguously defined and clearly formulated, and must lie in the interest of a relevant group within society. According to the minutes of this meeting, the most important characteristics of the standards were the transparency of the fundraising market, and the comparability of the information resources as well as similar valuation size. The delegates decided that the new US-American Standards of NCIB (National Charities Information Bureau, formerly NIB) should be used as a model or reference point.

Contacts had been made with potential members and included a trip to the United States, so that guests representing Austria’s Koordinierungsstelle der Österreichischen Bischofskonferenz für international Entwicklung und Mission, Canada’s Centre d’études et l’informations pour les organismes de charité du Québec, France’s Comité de la Charte, and Fondation de France, the United Kingdom’s Charity Commission, and from the United States, the Evangelical Council for Financial Accountability (ECFA) and the American Association of Fund Raising Counsel, were invited to attend the 1991 Annual General Meeting in Zürich, Switzerland, as potential members of ICFO. Except with respect to ECFA, none of these guest organizations provided for compliance monitoring against specified standards with the granting of a seal as recognition of compliance with transparency and accountability standards. At the conclusion of this meeting, ICFO members decided that Canada could be welcomed as a new ICFO member, and Koordinierungsstelle der Österreichischen Bischofskonferenz für international Entwicklung und Mission from Austria, Comité de la Charte, from France, and ECFA from the United States could be considered as potential members.

Throughout the next ten years, ICFO continued to grow. New members, such as, Österreichische Forschungsstiftung für Entwicklungshilfe (ÖFSE) from Austria, Canadian Council for Christian Charities (CCCC) from Canada, Comité de la Charte (CC) from France, The Accrediting Bureau on Fundraising Organizations (ABFO) from the United Kingdom, and the Evangelical Council for Financial Accountability (ECFA) from the United States were added as full members. The actual monitoring activity with clearly prescribed standards and the granting of a “seal of approval” became the commonly accepted practice within all national monitoring organizations represented in the membership of ICFO. Although the standards varied, most of them covered the same general areas. The monitoring was generally done on the basis of documentation submitted by the charities seeking approval, but also included on-site visits. The Board of ICFO began to meet approximately quarterly, and the formal annual general meetings became significant forums for scholarly presentations from guest speakers. The country
reports submitted by the national member monitoring organizations became much more organized, substantive, and informative, thereby increasing the quality of the exchange of information between the national monitoring organizations. A comparative survey of the monitoring organizations in ICFO was initiated, and ultimately published in May 2002. However, this was also a period following the earlier losses of some of its founding members, including Denmark and Finland. Nevertheless, there continued to be planning on how ICFO might expand its membership to include representatives from Belgium, China, Greece, Israel, India, Italy, Japan, Luxembourg, Portugal, and Spain, for example, as well as renew contacts with Denmark and Finland. Although there has been some interest in some of these countries, the Istituto Italiano della Donazione (IID) from Italy is the only new ICFO member from this group.

This was also a period in which there was much more engagement with national governments and international bodies. There have been attempts at consultation and cooperation with the European Union and United Nations, particularly with respect to joint workshops, seminars, and possible monitoring of the distribution of aid to developing countries. When governments have proposed legislative regulation of the public benefit sector, ICFO has been called up to address some of the proposed legislative changes.

ICFO initiated its assessment program for the international headquarters of major charitable organizations with its assessment and reassessments of Plan International. Initially, the assessment of Plan International was performed by ABFO in the UK on behalf of ICFO, however, the Board ultimately concluded that all assessments of international headquarters of major internationally operating charities should be performed by the Board. Although there has been considerable discussion over the years to extend this international assessment to other charitable organizations, Plan International remains the only charity having been assessed under this program. Similarly, there have been discussions over the years concerning the wording to be applied with the ICFO seal as to what that seal represents regarding the assessed headquarters.

Beginning in 1999, the Board of ICFO began discussions to amend the ICFO Constitution so that regional chapters could be established. The idea was that an ICFO Chapter in North America would facilitate ICFO objectives in the United States and Canada, with a greater level of concentration on establishing or recruiting new monitoring organizations in North America. Similarly, there was discussion about establishing a European Chapter of ICFO, which would be better able to work directly with the European Union. Neither of these possible changes in the organizational structure of ICFO has been pursued any further.

**Engaging Donors’ Trust Through International Cooperation:**

**Some Tentative Conclusions**

Studies, anecdotal stories, and experiences have demonstrated that there are a number of motivations for charitable giving and volunteering. The first is that people give to charitable organizations to which they feel close. That is, people tend to be committed to charitable organizations that represent causes for which such people have a passion.
These often tend to be local and involved in meeting the local needs of the community or immediate area. The exceptions to this are the large, international or national, well-known charitable organizations, and solicitation for major disasters, such as the attacks on New York’s twin towers trade center, the Pentagon in Washington area, and the failed attack that resulted in the crash of the airplane in Pennsylvania, the tsunami disaster in South Asia, or the earthquake in Pakistan, for example. Donors today generally are more focused on causes rather than particularly non-government charitable organizations. In these latter examples of major disaster needs, ICFO provided an international forum for the exchange of information regarding relief efforts and communications to the general public.

The second reason people give to charitable organizations is because they believe that the charitable organization will produce concrete results and that they can have confidence that their donations will be used for the purpose for which they were solicited and given. However, it is difficult for many potential donors to charity to understand and compare the financial data presented in literature or on the Internet. The founding purpose of ICFO addressed this issue. The purpose of ICFO at its founding, and today is to ensure that fundraising for charitable purposes is being organized and performed in a satisfactory manner and that the administration of the collected funds is adequate and trustworthy. Thus, the objective is to provide confidence to donors that their donations are used for the purposes for which they were donated by promoting transparency and integrity. One of the ways in which such confidence is promoted is through the application of standards and the requisite monitoring to ensure compliance with those standards.

While governmental legislative and regulatory monitoring through registration laws and regulatory control can provide some of this confidence within the various countries, non-governmental organizations have performed much of the public benefit work around the world through the church, religious communities, and other charitable organizations. This work has become an important social counterpart of economic and political force in society. Private donations are widely regarded as an important factor for the independence of the charity sector. While it is important to protect the rights of donors, donors often assume, with reason, that they are not protected by the state from fraudulent fund-raising appeals. As a result, private and semi-private monitoring boards which provide various forms of accreditation and self-regulation, have been established in many countries. One concern is that a statutorily imposed regulatory scheme with governmental monitoring, together with reporting requirements, particularly with respect to suspected fraud or similar irregularities, tends to increase the administrative costs associated with accounting and legal services beyond that normally required for the administration of the charity. This reduces the amount of charity available for the intended purpose of the solicitation. While large national and internationally oriented charities can absorb these added costs, with little effect to their administrative cost ratios, smaller charities cannot continue to operate and perform the public benefit services for which they were established. Further, such a statutorily imposed regulatory scheme with government enforcement raises the risk of legal liability and penal exposure to levels that might well be unacceptable to small, but effective, charitable organizations.

Laws, customs, and traditions vary from country to country. National monitoring organizations, such as those which are members of ICFO, are able to respond to those laws, customs, and traditions and are closest to the charities that are monitored. As such, they are more equipped to build the “bridges of trust” between the potential donors
and the non-governmental charitable organizations by promoting transparency and integ-
rity through the establishment of easily understood and applied standards and monitoring
those charities for compliance with such standards.

Because of this variety in the national laws, customs, traditions, as well as geo-
graphic distance internationally from much of the charitable activity, ICFO is not able to
provide universal and internationally recognized standards, nor is ICFO sufficiently re-
sourced to provide adequate monitoring to ensure compliance with the standards. Thus,
ICFO finds its strength in assisting interested groups in establishing monitoring organiza-
tions in countries around the world, in providing the exchange of information between its
national members and potential monitoring organizations, and providing advice to na-
tional governments and international bodies, such as the European Union. With the in-
creasing internationalization of public benefit and charitable activity, ICFO is positioned
to provide international standards and monitoring for major non-governmental public
benefit organizations operating internationally. The history of ICFO indicates that it is a
work in progress, and the objectives for which it was established, and which are repre-
sented by its evolving role in the public benefit sector, continue to reflect its strength and
importance internationally in this sector.
Notes

1 President, International Committee on Fundraising Organizations (ICFO), submitted in conjunction with the celebration of the 50th Anniversary of ICFO.
3 Official minutes of the Internationale Tagung des Arbeitskreises Spendenwesen, 23 October 1957.
7 Id., p. 16.
13 Id., pp13-14.
17 Id., pp. 29-117.
18 Note 4, supra.
19 See Report on the Annual Meeting of the International Committee on Fund Raising Control, 24-26 May 1989, in which the name was changed to International Committee on Fund Raising Organizations.
22 See note 18, supra.
24 Note 4, supra.
25 See Minutes of The Eighth Conference of the International Commission on Fund Raising Control, 1 June 1970.
26 See Minutes of The Tenth Conference of the International Committee on Fund Raising Control, 9 September 1974.
27 See Minutes of The Eleventh Conference of the International Committee on Fund Raising Control, 6 September 1976.
28 Id.
29 Letter dated 17 June 1981 from Committee President, Ernst G. Frick, to the Committee Members.
32 See Minutes for the ICFO Annual General Meetings, and Board Meetings, 1992-2002.
33 E.g., Minutes of ICFO Board Meeting, 10 October 1998, London.
34 See Minutes of 1999 Annual General Meeting, 30 April 1999.
35 Note 35, supra.