

Ethics in the Foundation: A Philanthropic Discernment Aid

Philanthropic Support Foundations provide a crucial service for our ministries and local communities by managing charitable gifts and building relationships with donors. Aligning resources with needs fulfills a key part of our Mission as a Catholic health ministry. Yet, some gifts or donors do not completely align with our Mission. We created the Philanthropic Discernment Aid to help address such situations of misalignment and to assess potential gifts or donors through the lens of our Mission and Catholic identity. The tool helps gift officers and foundation leadership: (1) assess if the misalignment is acceptable or if the gift should not proceed; (2) mitigate individual bias; and (3) determine whether they should contact someone else to help assess the situation. We hope this tool will help foundations and ethicists at other Catholic health systems think through similar situations.

From the perspective of philanthropic staff, this aid transcends a mere policy document; it is a critical instrument for navigating the complex ethical landscape of fundraising. It provides not only guidance but also confidence for gift officers who are often the first point of contact with donors, and thus the first to encounter potential ethical ambiguities. By offering clear parameters, the aid empowers them to engage in initial assessments independently, fostering a culture of informed discernment within the fundraising foundation. This proactive

approach ensures that ethical considerations are woven into the very fabric of donor relations, rather than being an afterthought. Moreover, the tool implicitly communicates to donors that our ministry upholds high ethical standards, reinforcing trust and long-term partnership based on shared values.

We modeled the Philanthropic Discernment Aid after the CommonSpirit Ethics Discernment Framework because the discerning approach of the Framework provided an open-ended starting point for assessing Mission misalignment.¹ The Framework can be used in three ways: as a team, with a discernment facilitator, and adapting a pre-existing process. The Aid is an example of this third method in which the Theology and Ethics Department works with another department to modify their regular decision making process to reflect elements of discernment.

The creation process followed several design principles. First, plain language. The words and phrases in the tool are not theologically technical, or are at least easily understandable without discussion with an ethicist. Second, simple to use. The intention is for gift officers to use the tool on their own to resolve most concerns without involving anyone else. Assistance is available if needed, and the last step guides the user on when and who to ask for help. Third, short and to the point. The tool is only one page and centers around three straightforward steps.

Step 1: Donor categories generally not accepted

Step 2: When to seek input from others

Step 3: Who to seek input from

A few best practices are also listed at the bottom. We find most situations or questions can be assessed in a few minutes, and those that require input from someone else usually only need a brief conversation.

The tool assumes that many (if not most) gifts and donors have at least some misalignment with our Mission since “all have sinned and fall short of the glory of God.” (Romans 3:23) Thus, while the initial concern might be whether a gift or donor has a misalignment with our Mission, it often quickly shifts to whether the misalignment is acceptable. Misalignment happens most often through the source of the funds, the public image or actions of the donor, or the circumstances of the gift. Certainly some gifts or donors have no misalignment, but this framing clarifies that almost every situation will have some misalignment if examined closely enough.

Conceptually, the Philanthropic Discernment Aid focuses on two theological principles: cooperation and scandal. While it is unlikely that receiving a charitable gift would constitute illicit cooperation, some actions were deemed concerning enough to be ruled out even if involvement might constitute licit cooperation in some narrow circumstances. This led to significant discussion during the design process regarding what kind of actions to include in the list of categories that are not accepted in Step 1. While some might be ruled out due to concerns of illicit cooperation, and others are ruled

out for concerns of scandal, the tool does not distinguish between the rationale and simply alerts the gift officer that this category should not be accepted.

We determined that concern for scandal is usually the most relevant theological principle in assessing Mission misalignment for potential charitable gifts. Thus, most of Step 2, which is the longest step, focuses on scandal and provides a non-technical description of the theological definition. This step leaves a lot of room for the judgment of the individual gift officer to assess the risk of scandal. However, since the most concerning actions are ruled out in Step 1, and there are some specific directions given in the Best Practices section at the bottom, we believe the flexibility in Step 2 allows the gift officer appropriate freedom and boundaries to decide how to proceed.

The true strength of the Philanthropic Discernment Aid lies in its ability to integrate ethical reflection into the everyday operations of a support foundation. It empowers gift officers to be frontline guardians of the ministry’s Catholic identity, transforming what could be perceived as an additional bureaucratic step into a vital act of mission stewardship. By providing a clear, accessible, and supportive framework, the Aid ensures that every gift accepted not only advances our healing mission but also reinforces our unwavering commitment to the ethical principles that define us as a Catholic healthcare provider. This creates a powerful synergy, where philanthropic success is inextricably linked to ethical integrity, yielding benefits far beyond financial contributions.

Certainly this tool will not resolve all issues.

If extended discernment is needed, the normal CommonSpirit Ethics Discernment Framework is available. The Best Practices section directs the gift officer to a discernment in certain situations, such as a large or national campaign, or disagreement among people providing input. Nevertheless, we have found the Philanthropic Discernment Aid to be a constructive support to guide gift officers and philanthropy leaders through many situations that raise ethical concerns and Mission misalignment. We encourage ethicists in other health systems to consider developing similar applied discernment tools for various departments to spread the benefits of discernment to other difficult decisions. ✚

BECKET GREMMELS, PH.D.

*System Vice President, Theology and Ethics
CommonSpirit Health*

DREW GAGNER, MBA

*California Region Vice President, Philanthropy
CommonSpirit Health*

ENDNOTES

1. CommonSpirit Ethics Discernment Framework, www.missiononline.net/csh-ethics/discernment. The Philanthropic Discernment Aid is one example of the third manner in which the CommonSpirit Ethics Discernment Framework can be used as described on the second page, namely to adapt a pre-existing process.

Philanthropic Discernment Aid

This guide is intended to help philanthropy teams determine if a gift should be pursued when a potential gift or funder might not be mission aligned. Through a series of guided questions, any team can examine the issues without personal bias affecting the outcome while also knowing clearly when to engage the hospital CEO and/or mission leader. This guide is to be used when a situation falls outside of existing CommonSpirit Health policies (including 4.94 Gift Acceptance Policy).

Discernment Aid Questions



QUESTION 1: Donor categories generally not accepted:

- Gun manufacturers
- Tobacco or vaping industry
- Funds generated by means that are illegal at the local, state, or federal level
- Groups that advocate discrimination or racism of any kind
- Adult industry (films, stores, clubs, etc.)
- Abortion providers
- Payday loans companies
- Groups that advocate for physician assisted suicide or euthanasia (e.g. Compassion and Choices)
- Donor is confirmed to be incompetent due to dementia or other factors

If the Foundation intends to accept funds from any of the above, a documented discernment process using this guide is required.



QUESTION 2: When to seek input from others:

- Existing negative media or publicly available information**
 - Negative press and/or social media
- Risk of scandal**
 - Scandal is a situation in which someone may be confused about who we are as CommonSpirit Health and what we stand for as an organization
 - Are there other funders who can help us accomplish our goal without the risk of scandal?
 - Is it the gift itself or the program it is supporting the true concern? Or is it simply the association with the donor or grant provider?
 - Appearance of cognitive issues by the donor
 - If the gift is going to be publicized via a press release/social media or has a gift agreement and there has been no research done on the donor
- Concerns raised by board members, support staff, or others**
 - Board and staff concerns should be heard, documented, and balanced with legitimacy of the concern
 - Would accepting the gift jeopardize existing donor relationships?
- Donor has a personal agenda**
 - Donor asks what they get in return for donating
 - Does the donor have an intent to offset their past bad behavior by donating?
 - Is there a political or partisan balance in our overall gifts received?
- What is the motive for the gift?**
 - Is the gift self-serving in a way that conflicts with our values?
 - Does the donor have a desire for a future potential gain or special/preferential treatment or access to their chosen doctor?



QUESTION 3: Who to seek input from:

- Checklist of potential people to consider**
 - Colleague in Philanthropy, in your department, system shared services/operations or at another CommonSpirit ministry
 - Your supervisor
 - Administrative Team Leaders (CEO/President, Compliance, HR, Finance, Legal, Mission, Community Benefit/Health, Advocacy, etc.)
 - Ethicist
 - Leaders in the department or program that would receive the gift
 - Executive Committee of Foundation Board
 - Division or System Advocacy Leader where appropriate

Best Practices

- CEO and Mission Leader should be informed regularly, but not always need to be directly involved.
- If you seek input from two individuals and get drastically different answers, consider bringing together a larger group to utilize the [Ethics Discernment Framework](#).
- If the issue involves a large campaign, a national campaign, or requires input from multiple departments outside Philanthropy, consider using the [Ethics Discernment Framework](#) with a facilitator.



Gift Acceptance Policy 4.94



Socially Conscious Investment Standards

