

MEDIA RELEASE

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Financial Reporting Issue Silences Non-profit Sector

The issue of financial reporting has far reaching consequences. For example, we regularly search for snippets and short stories about fundraising successes for our monthly publication *Fundraising New Zealand*, and frankly, we usually have no trouble finding them. Until now! Over the last two months we have noticed a decided lack of editorial copy from non profits. The organisations appear to have gone silent on their successes and we're convinced that it's probably because they don't want to raise their heads above the parapet and attract attention or media scrutiny.

We can't blame them for this. It's an unintended consequence of what started out as someone's good intentions to ensure we are all applying best practice in fundraising. But how few people out there understand best practice and have the qualifications to comment?

Imagine if the ordinary person in the street were asked to comment on the business strategies, income vs expenditure ratios, and success of businesses like Fonterra, The Warehouse or BNZ. There is no way that the person in the street would have any credibility. No media outlet would be foolish enough to rely on common opinion. They quote credible, industry analysts who have been employed for their business acumen, their expertise in a particular field and their in-depth knowledge of financial reporting. (Well I presume that's the case!)

Take a recent example where the *Sunday Star Times* criticised the Breast Cancer Foundation on the basis of financial information provided to the Charities Commission. Apart from a single unhelpful comment from the Fundraising Institute of New Zealand there was no credible analysis from an expert in best practice.

So why does the media allow this to happen in the non profit sector? I believe they allow it to happen because there is so little understanding of the non profit sector. For example, they don't understand the size of the sector, they don't understand its true contribution to our economy, they don't understand its employment contribution – and even if they did understand these aspects, they still wouldn't understand the process and philosophy that underpins fundraising.

I'm fast coming to the conclusion that we need a unified voice on this issue to lay it to rest. As professional fundraisers we need a single message that says we are following fundraising best practice and that all our activities contribute towards our cause. We also need to stand up in our own organisations and say that without fundraising, we wouldn't exist as independent organisations.

It's also vital that we should challenge ignorant commentating, and bring it to the attention of the news media that there are valid commentators and reputable sources. If there's going to be criticism, let's hear it from experts!

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