

## Has BP Tarred Its Charitable Beneficiaries?

The relationship between any nonprofit and its benefactors can be complicated, especially if one of its donors has a stained reputation. Such is the situation confronting the nonprofit Aquarium of the Pacific in Long Beach, California. The organization's website states its mission is to *instill a sense of wonder, respect, and stewardship for the Pacific Ocean, its inhabitants, and ecosystems*. On May 22, 2010, the Aquarium opened its new BP Sea Otter Habitat, named after the primary sponsor of the Habitat, BP, just over a month after the oil spill in the Gulf of Mexico. Another nonprofit challenged by a relationship with BP is the Nature Conservancy, which lists BP as one of its business partners and members of its International Leadership Council. Ironically, the Nature Conservancy states on its website *that the International Leadership Council (ILC) of The Nature Conservancy is one of the world's leading corporate forums focusing on the challenges confronting biodiversity preservation, habitat conservation and natural resource management*.

To date, both nonprofits have continued their relationship with BP despite widespread criticism. The Aquarium of the Pacific embraces the gift that made possible the building of the Sea Otter Habitat while the Nature Conservancy holds to its approach that maintaining strategic relationships enhances opportunities to work together for solutions. But these examples point to the importance of considering up-front the potential tar that could be caused by large and well-publicized contributors.

To avoid oily situations, nonprofits should consider the following questions before accepting a major contribution: (1) Are the values and mission of the potential donor consistent with those of the nonprofit? (2) Has the potential donor acted in ways that are contrary to the nonprofit's purpose, values, and mission? (3) What might be the opposition of other donor groups and constituencies to the potential donor or donation? (4) What is public image of the potential donor? (5) What factors might necessitate the return of the donation? (6) Is the contribution conditioned on a co-branding agreement?

A charity's fallout from a donor's problems will likely be most serious in a situation where a co-branding relationship exists, as in the case of the Aquarium of the Pacific's BP Sea Otter Habitat. The examples of tainted relationships with BP serve as important lessons in co-branding relationships. In recent years, many nonprofits have turned to co-branding with for-profits as a means of generating additional revenue. When the for-profit brand turns sour, however, such associations can do more harm than good. Prior to entering into any such relationship, organizations should require a co-branding agreement that ensures the ability to terminate the relationship upon any event that could tarnish the nonprofit's reputation and goodwill.

The sticky consequences of a donor's public image can necessitate an emergency response by a nonprofit. The example of BP's beneficiaries highlights the nonprofit organization's need for evaluation, planning, and well-crafted co-branding agreements before accepting high profile gifts.

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