

Boards and Fundraising

Agenda

I. Motivating board involvement in fundraising

II. The role of the Board in fundraising

III. The Work

IV. Fundraising dynamics

I. Motivation

- The frequently asked question is: Why won't my board do more about fundraising?
- Posing the problem in this way could lead to the identification of activities that could address specific barriers which we will review later, such as:
 - Making the case
 - Training and role play experience
 - Data management support
 - Materials, etc.

The real question

- The first question however is not why they don't fundraise, but rather: Why would anybody ever want to fundraise?
- The answer this question is found in actively engaging the board in its fiduciary and leadership roles, especially in assuring that the organization is adapting to changes that surround it.
- **Rubber stamps don't fundraise!**

The value proposition

Firstly, we must recognize that board service is a counterintuitive proposition

1. Attend 4 or more board meetings. (Generally in the evening when you might rather be relaxing.) The meetings may or may not be interesting
1. Work on a committee that may also be meeting in the evening or by conference call when you are working
2. Pay for the privilege
3. As a bonus, you get to ask your friends for contributions

The rewards that motivate board service

1. Personal concern for the achievement of the mission; for the change that the organization can make in the world
2. Being part of an effective and supportive group
3. Having a personal impact on ability of the organization to make that change

1. Mission connection

1. Bring the mission into board meetings

Every board agenda should include an item relating to the mission, e.g. a staff presentation about exciting results, a client speaking about the impact on their life, a speaker from a related field, etc.

2. Bring board members to the mission

Board members should be expected and enabled to visit programs and to speak with staff and clients

3. Connect board members with stakeholders

Every meeting with a stakeholder (funder, government, partner agency, community meeting, etc.) is an opportunity to enable board members to learn about stakeholder interests. (This also sends a very valuable message to the stakeholder about board Involvement.)

4. Look for volunteer opportunities

2. Being part of a good group

A basic fact of human nature is that we spend our lives seeking to be part of good groups and that we perform at our best when we are part of such groups.

Coxswains call that took the American women from second to first in the Olympics: “You are the USA women’s eight!”

Think about a group that you valued.

- How would you describe it?
- What were its qualities

Structures That Make a Board a Good Group

Creating a culture that encourages the full engagement of all members involves:

- Agreed norms and expectations
- Clear work assignments
- Respect for committee work
- Communication and transparency
- Opportunities to know each other personally and to develop personal trust*

***Patrick Lencioni. The Five Dysfunctions of a Team**

Board meetings

- The agenda focuses on discussion, decisions and action planning
- Meetings are not used to present information that is not needed for decision making
- Board meeting should engage board members with issues of strategic importance
- There is an opportunity for collegiality
- Every meeting includes a mission connection
- Every meeting includes an Executive Session

Expectations

- High team performance depends upon having shared expectations and norms.
- Individual performance depends on being able to trust that others will perform as well.
- Explicit expectations and a regular process to assess performance will also enable the board to base membership decisions on performance rather than personalities

Expectations

- I can't do my job if I don't know what it is, and I won't do it if I'm not confident that my team mates are doing theirs as well
- Coach's advice in *The Boys in the Boat*: “You will be your best when you learn to trust your team mates”
- Trust requires, at a minimum, knowing one another
- Also helpful would be some opportunity for personal honesty, e.g. What I am most proud of, What I could have done better

Board member job description

- Board meeting attendance and preparation
- Policies (conflicts, confidentiality, support for decisions)
- Committee participation and leadership
- Program visits
- Respectful discussion and respect for committee recommendations
- Relationship with staff
- Personal contributions and fundraising engagement

Collegiality

To the extent that board members know one another personally:

- They are more likely to **want** to come to board meetings and
- Make their best efforts so that they do not disappoint their friends
- Engage in mutually respectful discussion
- Trust one another

The Chair: Chief Motivator



Has the big picture. Clear about the work that the board needs to accomplish

Engages and supports each board member and provides performance feedback

Maintains a process to manage and support the committee work

Has a supportive partnership with the Executive Director who can also provide the chair with feedback on their performance

3. Personal impact

- Developing personal responsibility for the organization requires that the board be given responsibility
- The board must be an active partner in the decisions important for sustainability and mission impact
- The board must be fully informed : the good, the bad and the ugly

Achieving mission goals

- The board must be engaged in the process of setting goals for the organization and for the board
- If they are not, we cannot expect their commitment to, and engagement in, the achievement of those goals
- Rubber stamps don't fundraise!

Personal rewards

Volunteer work may be motivated by a desire to “give back”, but it is maintained by the rewards that volunteers obtain

- Using their abilities to meet new challenges
- Using their skills in new ways
- Developing leadership skills
- Having an impact
- The more we ask of volunteers , the happier they are. It communicates that they are important, needed and regarded as capable.

II. The Importance of Board Involvement in fundraising

80% of the revenue of the nonprofit sector comes from individual contributions

The Board must demonstrate its **commitment**

Board members who contribute and raise money are **more engaged** with the organization

Board members can **speak to peers** about the personal meaning the organization has for them

III. The Work

- Making the case
- Developing expectations
- Creating the structure

Making the Case

- The importance of individual giving
 - \$358 billion in charitable gifts in 2014
 - 72% from individuals
 - 15% foundations
 - 8% bequests
 - 5% corporations

Making the case

Establishing the need to your board

Different cases

1. Filling the Gap. The difference between the budgeted costs of each program and an estimate of the real costs.
- Enhancement. The projected cost of some short term program growth or enhancement
 - Vision: The cost of achieving a strategic goal

Making the case

The regular financial report should also enable the board to understand **how** programs are financed

- What the direct costs of each program?
- What are the indirect costs (infrastructure, marketing, development, etc.)?
- What is the gap between total program cost and direct program support (grants, contracts, etc.)?
- How is that gap made up?
- How have revenues and expenses changed over time?

Expectations

- A fixed “give or get” can become a ceiling instead of a floor
- Every board member must give and get to the best of their ability including a “personally significant” gift
- A “personally significant” gift is one that you would have to think about before making
- As this process develops, you might want to have members of the Resource Development committee make the “ask” of each board member. (It’s good training for all involved.)
- Everyone can, and must, “ask” for something

IV. Fundraising dynamics

- **Why Do People Give?**
- Where have you contributed in the past?
- What prompted the gift?

Resistance

Why are we reluctant to ask?

- Fear of rejection
- Fear of damaging a relationship
- Reciprocity

Enrollment

The real work of board is to build relationships that can lead to major gifts

- What are the experiences that connect board members with the mission of the organization?
- What experiences were significant in connecting donors?
- What can the organization and the board do to create more opportunities for these connections?
- Enrollment diminishes the likelihood of the expectation of a reciprocal gift

A radical proposition

- Board members should use their time and energy on cultivation of potentially significant donors rather than on broad based asks
- Each board member should focus on four cultivations a year
- Cultivation should be a significant, if not the main, focus of events

Overcoming resistance

- The most effective way to overcome this fear is to find out how friends react to the mission and its impact when you are not asking for money.
- Develop the habit of introducing the organization in ordinary conversation
- Learn how to introduce it by asking about the other persons interests. This is the essence of sales: Do not introduce a product until you have Identified a need.
- Activities that strengthen your personal connection to the mission will enable this; learning about the organization, knowing the case for support and having great stories to tell.

Board Practices

- Including an item on fundraising at every board meeting
- Reporting on program visit experiences
- Creating individual cultivation and asking plans
- Board members soliciting contributions from their peers
- Creating a cultivation data management system
- Creating a Resource development Committee to manage the board engagement
- Provide training with opportunities to practice

Practice

Helpful activities that are also warm-ups

- Identifying prospects
- Attending and inviting guests to events
- Targeted networking at events
- Signing letters
- Host a party
- Make thank you calls
- Recruit board members
- Join staff on a solicitation meeting

Training

What training might be helpful?

- Development Committee leadership and structure
- Special events planning
- Use of email and social media
- Setting up meetings
- Having a meeting
- Introducing the organization by asking questions
- The art of the ask



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