

Boards and Fundraising: Results of a Quick Google Search

Boardsource

<http://www.boardsource.org/>

Boardsource is a rich source of information about nonprofit boards. Here are a few items we thought especially interesting.

FAQs

Here are a few interesting FAQs about boards and fundraising.

Question: How many boards require their members to make a personal contribution to the organization?

Sixty-one percent of the nonprofit organizations responding to a survey conducted by BoardSource indicate that they have a policy requiring board members to make a personal contribution.

References

James M. Greenfield, [Fundraising Responsibilities of Nonprofit Boards](#) (BoardSource 2003).

BoardSource, [Nonprofit Governance Index 2007](#) (BoardSource 2007).

Question: Should all board members be required to make an annual contribution?

Every board member candidate should be made aware of your organization's policy on personal contribution. Most board members understand how important personal contributions can be to carrying out their fundraising responsibilities. It is difficult to ask for a gift if you yourself have not contributed. Usually board members have differing giving abilities, so a standard gift for all board members is not necessarily appropriate. Instead, consider establishing a minimum gift amount, and be sure that every board member is aware of it, in addition to the responsibility to give in the first place.

References

- James M. Greenfield, *Fundraising Responsibilities of Nonprofit Boards* (BoardSource 2003).

The Board's Role in Fundraising

Here's a description of a boardsource training program.

Board members often fear fundraising. This workshop helps members understand their special role in all stages of fundraising so that the full board can carry out its responsibility to raise funds for the organization. It presents strategies and techniques that help members - including those reluctant to ask

potential donors for contributions - do as much as possible to help raise money. Fundraising is not an easy task, but it is a primary responsibility of every Board of Directors.

This fundraising course will help you feel more at ease with this daunting duty by discussing topics such as: the truth about fundraising; source of support; principles of giving; motivations of giving; the fundraising cycle; board's role in fundraising; staff's role in fundraising; individual member's role in fundraising.

Boards That Love Fundraising: A How-To Guide for Your Board **Robert M. Zimmerman and Ann W. Lehman, Jossey-Bass (February 17, 2004)**

Here's an excerpt from the book, about fundraising responsibilities.

A critically important part of good board management is ensuring the availability of adequate funds. What specifically should nonprofit board members do in this regard? As a nonprofit board member, you have four fundraising responsibilities:

- 1. **To make a financial contribution to the extent of your capacity.** Some board members can make only token gifts annually; others can give \$5 million. Each of you should make a "stretch" gift every year regardless of specific amount. Other funders- particularly foundations and major donors- will consider making contributions only if everyone on the board has made a capacity gift. It is much easier to ask for money if you have put your money where your mouth is!*
- 2. **To solicit contributions from your friends, relatives and colleagues.** The most important reason that a person makes his or her first contribution to a nonprofit organization is that the right person asks. You should be prepared to approach the individuals on your Christmas, Chanukah, Kwanzaa, Ramadan or Solstice card list on behalf of your organization. These approaches may be for direct mail contributions, seats at special events, major gifts or planned gifts.*
- 3. **To assist with recruitment of new members to your board of directors with the clout and connections to ensure the success of the fundraising effort.** In order to achieve "critical mass" when it comes to fundraising, your board must contain at least a few people of means who have the ability to make sizeable contributions and the desire to "put the arm" on friends and colleagues. "Peer-to-peer" fundraising is the name of the game.*
- 4. **To oversee your organization's fundraising efforts.** As a board member, it is not your responsibility to write grant proposals or enter donor information in the database (unless you are without a staff). You are responsible, however, for making sure that your organization is pursuing funds by every appropriate means. The board mandates the preparation of a written fundraising plan and reviews fundraising activities periodically to ensure timely and comprehensive implementation of the plan.*

Nonprofit Answer Guide

<http://nonprofitanswerguide.org/faq/fundraising/what-is-a-nonprofit-boards-role-in-fundraising/>

Here's something from the Center for Nonprofit Management and Cause Communications

What is a nonprofit board's role in fundraising? How can/should they be involved?

Board members' specific roles vary from one organization to the next, depending on the nonprofit's needs and structure. Broadly speaking, however, there is usually an expectation that the board will play some role in fundraising. The trick is ensuring that the nonprofit staff and board members have the same expectation.

Your board members should be actively involved in the development of your fundraising plan. They can be some of your best resources in terms of making introductions, and many times they have business expertise that can be useful in developing a sound plan.

The specific role your board will play should be a key part of your fundraising plan. If you don't have one already, develop a board fundraising policy in partnership with the board. This establishes the amount each director is expected to give and/or raise, the process for waiving the requirement (for example, if your board includes clients), additional expectations (such as captaining a table at an annual dinner) and the range of ways in which board members can support fundraising.

In addition to committing funds, here are a few other ways your board members can be involved

- *Identify new prospects and opportunities for fundraising*
- *Identify and cultivate high-net-worth donor*
- *Sell tickets to an annual dinner or event*
- *Make introductions to potential donors and corporate sponsors*
- *Host special meetings or events*
- *Accompany the executive director to key meetings with potential donors.*

It's important to recognize that not all board members are going to be experienced fundraisers. In fact, some of them may resist the idea. Work with each member to identify the ways she or he is most comfortable bringing resources and people to the organization. It all starts from the mission and speaking from the heart about the difference being made. Consider offering training sessions to increase your directors' capacity and comfort level. The Center for Nonprofit Management (www.cnmsocal.org) and BoardSource (www.boardsource.org) offer a number of trainings to address these issues. And for a free approach, try role-playing exercises at your next meeting or retreat. They can provide a great way to understand (and refine) the messages being delivered and boost confidence.

Role of the Nonprofit Board Fundraising Committee

By Carter McNamara on January 19, 2011

<http://managementhelp.org/blogs/boards-of-directors/2011/01/19/role-of-the-nonprofit-board-fundraising-committee/>

Here's something from managementhelp.org on board fundraising committees.

One of the biggest misconceptions about the Fundraising Committee is that its members are to do the fundraising for the nonprofit. No, the job of the Fundraising Committee is to ensure that the fundraising is done very well. The actual fundraising should be done by all Board members, with various staff members supporting those Board members.

What's the Primary Role of Any Board Committee?

The role of any Board Committee is, at a minimum, to ensure "best practices" in the activities, or the function, that the committee is assigned to. Just like people need to do certain things to stay healthy (such as eat, sleep and exercise), organizations need to do certain activities, too. Many people might refer to those activities as "best practices." (There are many strong feelings about whether "best practices" even exist, but most people would assert that the phrase has more usefulness than not.)

When recurring crises occur, it's usually because people are attending only to what's urgent and not to what's important. Best practices ensure that the most important activities are done. So Board committees should ensure "best practices" are implemented in the major functions in an organization, for example, in Board operations, planning, marketing, staffing, finances and (in the case of nonprofits) fundraising.

What's the Primary Role of a Fundraising Committee? What Are Its Ongoing Responsibilities?

Notice the nature of the following activities — how they are not focused on very near-term, detailed tasks for Committee members to raise money. The following responsibilities should be included on a work plan for a Fundraising Committee. Notice that the activities are recurring — they should be done on an ongoing basis.

1. Ensure there's a specific fundraising target

How much money needs to be raised? Usually the amount is the difference between expected revenues and expenses. Usually those revenues and expenses are identified during strategic or program planning.

2. Ensure prospect research occurs to identify how much money might be raised from different types of resources

Good prospect research will look at the nature of the nonprofit's services and its locale, and identify similar nonprofits and the sources of funding used by them. For example, similar nonprofits might have raised 50% of funds from individuals, 20% from government contracts, 20% from grants and 10% from

fees. That profile suggests the mix that the nonprofit might aim for. Good prospect research will go beyond searching a database of foundations to submit proposals to.

3. identify specific, potential sources of funds from a diverse mix of sources

Now the nonprofit is ready to start selecting specific sources of funds from individuals, foundations, government and/or fees. These activities should result in the names of specific sources, for example, names of people, foundations and government agencies, and/or the specific amounts of fees to charge for certain services. (The amounts of fees to charge might be recommended by, for example, a Marketing Committee.)

4. Develop an action plan about who is going to approach what source, how and by when

This responsibility includes identifying which Board members will approach what source, along with what staff members will support those Board members. All Board members should have assignments, not just the members of the Fundraising Committee.

5. Compile the results of items 1, 2, 3 and 4 into a Fundraising Plan that is approved by the Board

The Plan should include more than merely a listing of what foundations to approach. The Plan becomes the roadmap for generating sufficient revenue. It should include realistic expectations from a diversity of sources, and justify how those sources were identified. It should include an action plan (from step 4) that the Fundraising Committee ensures is implemented on a timely basis.

6. Ensure effective administrative systems to track grants and donations

As funding comes into the nonprofit, its various sources and amounts must be closely and accurately documented. Acknowledgements and receipts must be provided back to donors. Grant requirements must be monitored to ensure they are met. In the United States, fundraising information must be included on the IRS Form 990.

Summary — Job of the Fundraising Committee is to Ensure Planful, Strategic Fundraising

So, again, notice that the job of the Committee is NOT to just ask the Executive Director to provide a list of foundations to write grants to. It's much more strategic than that. And its responsibilities are recurring — Committee members should never say they don't have anything to do.

Members of the Fundraising Committee should not be picked because they are "big names" or "big pockets." Popular and rich people rarely want to serve on Fundraising Committees. Many times, they'd rather write a check, than be expected to attend monthly meetings. And foundation officers see right through the "game" of listing big names on a list of Board members. Instead, select members who know how to think strategically, develop a plan and ensure that the plan is implemented.

How to Get Your Board to Step Up to the Plate in Fundraising

By [Joanne Fritz](#), About.com Guide

<http://nonprofit.about.com/od/fundraising/fr/boardfundraise.htm>

Here's a review of a book focused on major gifts.

It is a common problem. [Board members](#) are reluctant to accept their responsibility to give and to solicit gifts for the nonprofit they serve.

Sometimes, the problem originates with the development staff. Perhaps they assume too much. Do the board members really understand the [mission](#)? Can they articulate it? Were board members properly informed about fundraising responsibilities when they were asked to serve on the board? Are they aware of the "realities" of fundraising?

You might want to consider including a dynamic little book in your orientation package for your board members. Emerson & Church's Fund Raising Realities Every Board Member Must Face: A 1-Hour Crash course on Raising Major Gifts for Nonprofit Organizations by David Lansdowne is a quick read at 112 pages, and will help board members or prospective members understand and face the facts of fundraising.

The book covers the responsibilities of each board member to both give and to solicit gifts. Lansdowne makes it clear that fundraising is "inside out." That is, the burden begins with the board, staff, and [volunteers](#). Only when these supporters have put their money where their mouth is will other potential givers have the confidence to give to the organization. A reasonable goal is for "insiders" to provide up to 20 percent of the final goal of a campaign.

I like this book because it makes explicit the fundamentals of fundraising theory and practice that development officers know but often assume that others know as well.

The news is that board members, unless they are very experienced with nonprofits, probably do not know these things. Let this little book fill them in on the basics such as:

- *Almost everyone is uneasy about asking for money. The ones who make it look easy have come to grips with the need to do so and who have prepared.*
- *That gifts come primarily from individuals. Of the billions that are donated to charity annually, some 85 percent comes from individuals...not foundations or corporations.*
- *That raising money takes money. Starting a fundraising campaign requires staff, materials, postage, perhaps a consultant, or a market survey.*
- *That a small number of donors contribute the most money. Professionals know this as the 90/10 rule. Ninety percent of the money from gifts will be from only 10 percent of donors.*

- *That there is a way of charting gifts to ensure that you have the appropriate number of prospects in each category of giving from small gifts to large ones. The [gift chart](#) or table is essential and it works.*
- *That publicity will not raise gifts and that individual solicitation is unavoidable.*
- *How a fundraising campaign is structured and run.*
- *What a case statement is and what to expect from it.*
- *Why understanding and being able to articulate the organization's mission is so important.*
- *How to research, rate and cultivate potential donors.*

In other words, this little book provides answers to the questions that board members will likely have about fundraising...and answers to questions they have not even thought of yet.

So often, board members and volunteers suffer anxiety about fundraising because they do not grasp the whole picture, understand how the entire process works, and how they will be supported and helped by the staff and the campaign's leaders.

*Educating and preparing your board may be the most important task you perform when you begin a fundraising campaign. Use *Fund Raising Realities Every Board Member Must Face* directly or as a guide for your own training materials.*

Resources to Help Engage Your Board in Fundraising

Guidestar, March 2012

<http://www.guidestar.org/rxa/news/articles/2012/resources-to-help-engage-board-in-fundraising.aspx>

Guidestar offers a number of information sources.

A constant challenge for nonprofits—almost every nonprofit, everywhere—is getting board members to raise funds. With the right motivation, training, and support, some of your board members can overcome their hesitation. Start with clear ground rules about your fundraising expectations prior to bringing a new board member onboard. Discuss any requirements that board members will make personal and/or business contributions within a specific timeframe. Be equally specific about any expectation that board members are to ask others for contributions.

Part of the problem is that few board members know how to do fundraising, and most are afraid to ask others to give. You can help some board members get past their fears. Begin by inviting them to open up their Rolodexes, e-mail contacts, holiday card lists, etc. to identify potential contributors. That means going to their offices or homes and helping them identify prospects. Asking for gifts from friends, family, associates, and/or strangers can be very daunting, so you must provide lots of handholding and support if you want board members to succeed.

With the appropriate organizational structure, clear expectations, and high-quality training, some of your board members can become successful fundraisers. And don't forget that there are lots of legal and regulatory issues regarding fundraising that board members must also pay attention to. The following resources from [IdeaEncore Network](#) can help.

Helping Board Members Raise Money

- [Board Service Option Form](#) from Graceful Fundraising engages board members in the process of development—including personal contributions (\$10).
- Grassroots Fundraising Journal's [Finding Your Inner Fundraiser: A Self-Assessment Tool](#) (free).
- Foundation Center's [Your Board and Fundraising: An Introductory Class](#) helps the board think systematically about fundraising (free).

Fundraising Ideas Your Board Can Use

- Another article from the Grassroots Fundraising Journal, [53 Ways for Board Members to Raise \\$1000](#) (free).
- GuideStar's report [The Fundraising Methods That Worked Best in 2010—and Could Work Best in 2011](#) (free).
- Third Sector New England's article [How to Raise a Lot More Money Now](#) excerpts from Network for Good's ebook *Money Now: 50 Great Ideas from 11 Top Experts* (free).

Fundraising Methods

- Executive Institutional Advancement Exchange's webinar [Why, When and How the Big Gift Campaigns Work](#) (free).
- CJW Consulting & Services, Inc.'s [Using Social Media for Fundraising](#) (\$20).
- Third Sector New England's [Adventures in Email Fundraising](#) written by Andrea Berry (free).

The Hardest Step: Asking for the Gift

- [Getting People to Ask for \\$\\$](#), from Bob Zimmerman and Ann Lehman (free).
- Scribner & Associates' e-book [How to Ask for Money without Fainting](#) (\$7.50).
- [Getting to Yes! Asking for gifts!](#) from a von schlegell & co. (free).

Fundraising Policies and Regulations

- [Understanding and Drafting Nonprofit Gift Acceptance Policies](#) by Kathryn W. Miree, Esq. (free).

- [Policy for Approving Fundraising Initiatives Conducted by Others](#) from Janie Anderson Consulting Services (free).
- [What Must a Tax-Exempt Group Do to Acknowledge Donations?](#) from Pro Bono Partnership, outlines IRS rules (free).

Fundraising Basics

- Linda Lysakowski's book [Nonprofit Essentials: The Development Plan](#) (free).
- J.M. Greenfield & Associates' [Budgeting for Fundraising](#) adapted from Hank Rosso's 2010 "Achieving Excellence in Fund Raising" (\$20).
- [Building a Case Statement](#), from OneOC (free).
- Tom Ahern's book [Seeing Through a Donor's Eyes](#) (\$24.95).