The Board's Role in Fundraising: *A Strategic Approach*

When the board meeting agenda turns to fundraising, board members may get a little uncomfortable. Why? Because they know that one of these days, if not today, somebody's going to ask them to raise some money. And lots of people just hate, fear and freeze up when they're asked to do so. But the board needs to be involved in the fundraising effort somehow, doesn't it?

The answer is YES, the board needs to be involved in fundraising. But first, define what you mean by "board involvement." You're not being fair to your board (or if you serve on a board, you are not being fair to yourself), when involvement in fundraising only means "go out and browbeat your friends into writing a check." Ugh. I won't do that either. There are better ways.

Boards really need to put some effort into defining their roles. They need to collaborate, so they can agree on what their fundraising role should be, and then implement that new role. I like to think that the board's *primary* job is that of governance, which means setting direction, exercising leadership, holding the CEO or Executive Director accountable, and exercising fiduciary responsibility over the money. Figuring out how the board can accomplish such strategic objectives is therefore "Job One." But the very next job needs to be fundraising. And since fundraising covers a lot of territory, the board is always well-advised to figure out this fundraising role, and discuss it regularly.

This article reviews the five primary levels of fundraising involvement that every nonprofit board should consider. Some boards, and some directors, are ready to cultivate and solicit donors, while others are not. Some organizations want their directors to raise money, and others don't. But all boards need to consider these five levels, and decide what's right for them.

Level #1: Set Fundraising Targets.
Level #1 is the lowest level of fundraising involvement for the board, but it is highly strategic. The board should participate in setting goals and objectives for income, making sure that the operations of the organization are being funded adequately and properly. This sort of work is a normal part of strategic planning anyway. Somebody needs to create the marching orders, with a realistic operating budget and projections for income for the future. Whether you serve on the board of an all-volunteer organization, or the institution is large and has a big professional staff, a classic and valuable role for the board is to participate in setting fundraising targets.

While it's usually the staff's job to prepare a budget, the board needs to oversee that budget, considering whether adequate funds have been allocated for all the right things. Sometimes staff either overlooks key expenditures (such as the cost of fundraising), or understates them (such as the cost of designing and maintaining a website). The board can contribute by having a "big picture" view of what it should take to run operations at desired levels of capacity, challenging

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line items that seem to be over- or under-estimated, and otherwise bringing a more objective point of view to the budgeting process.

The board need not become micro-managers, looking over the staff's shoulders trying to save a few bucks here and there on office supplies. But it IS the board's job to collaborate with staff to define fundraising goals that meet or exceed operating requirements, and that everyone can live with. Board directors are likely to have a broader perspective since they are advisors, not staff. They get to ask "are we spending enough money?" That's always great to hear!

Level #2: Monitor Fundraising Outputs and Achievements.
Level #2 represents a slightly higher degree of involvement, but still doesn't require individual directors to make the proverbial "ask." This level of involvement is directly connected with the board's general fiduciary role. Rather than being the passive recipients of a boring fundraising report, board members should review progress against the fundraising plan regularly, preferably once a month, scrutinizing the delta between planned and actual results. A monthly review is just often enough and not too often. After all, out of sight, out of mind; it's too easy to lose focus and motivation if you review progress quarterly or (even worse) annually; a monthly review provides enough insight for the board to recommend course corrections and observe their impact. If the board doesn't meet monthly, then it would be wise to create a committee which will conduct a monthly review. These reviews can be handled by web conferencing technology for the sake of convenience.

Remember, the board's governance role includes holding the executive director as well as the board itself accountable for achieving the organization's goals and objectives. Provide a way for the board to monitor progress against the fundraising plan, and your board will be able to exercise such accountability, based on realistic, timely and accurate information. With no key performance indicators to measure and monitor results, accountability is really tough to create.

Level #3: Offer Guidance on Priorities.
This level is another step closer to true involvement in fundraising. While the board is monitoring outputs and achievements as above, they are also in an excellent position to re-assess funding priorities. Sometimes staff members become so close to the daily grind that they can't see the forest for the trees.

The board is in a great position to evaluate the popularity or achievements of various programs and services. For example, maybe Program A is losing its audience, even though the organization continues to fund it at a high level, while Program B could serve many more people, but it has been under-funded for several years. These are the sorts of issues where the board's perspective can be pertinent.

Furthermore, by offering guidance on funding priorities, the board is utilizing its governance authority. Board members, thanks to their varying perspectives and expertise, bring differing perspectives on the uses to which the institution's money should be put. Discussions about funding priorities will enhance the board's governance role, and raise the level of collegiality and mutual respect between board and staff.

Level #4: Leverage Their Connections

At Level #4, board members start to do the heavy lifting of fundraising. Directors are sometimes local business leaders or well-known philanthropists. Folks like these tend to have lots of contacts and connections, people whose names they can share with the agency as potential leads for cultivation. These introductions are valuable to the fundraising effort, since they turn cold calls into warm calls. Such leads are already pre-qualified by the referring board member, and thus it's easier to get them to respond. By simply sharing their contacts, board members make a significant contribution to the fundraising effort.

However, it's not uncommon for board members to resist requests to leverage their connections, or even to become defensive when such requests are made. So it's important for staff to be respectful and diplomatic when asking for introductions, making clear why the request is being made and how the introduction will be used. Board members themselves must appreciate that there is no real downside to introducing their personal and business connections to the organization which they govern. Such introductions are opportunities to bring attention to the agency in a positive way, and improve its standing in the community, whether the board member's contact gives money or not. After all, the board member would probably not give any time to an organization that he/she didn't respect and believe in, so simply extending knowledge about the institution's good work is all that's being asked.

Finally, remember that some directors may lack personal wealth and have few or no influential connections in the community. These directors deserve equal respect, and the recognition that their input makes a huge contribution to the organization's mission. They contribute to the institution through their governance efforts, experience and perspectives.

If no-one on board has any such valuable connections, however, it might be time to rethink the make-up of the board and recruit others who can leverage their networks.

Level #5: Raise Money for the Organization.

Level #5 is the deepest level of involvement that directors can have in fundraising. There are a couple of ways to fulfill this role. One is for the board member to play "supporting actor," accompanying a staff member on prospect visits, to support and reinforce the value of the call. Another is for the board member to play the lead role, establishing the relationship, cultivating the gift, and closing the deal. In either case, make sure that the organization has put together a fundraising toolkit, so that donor cultivation is not being reinvented every time.

Whether the board member is supporting staff or lead player, the staff is still responsible for putting together that much-needed toolkit. The toolkit can be elaborate or simple, but at the very least it must include:

- Documents that are prepared for the prospect, including:
    - A copy of the organization's Case for Support, the document that 'makes the case' for sponsoring or donating money to the agency in question. The Case for Support should also include ways in which donors can give, suggest levels of giving, and demonstrate programs or services to which the gift could be allocated.
    - Collateral or "leave-behind" materials such as flyers, brochures, annual reports and other items that further enhance the organization's reputation.
- Documents that are used only by the fundraising individual or team, including:
    - A copy of the organization's development plan, showing income targets, targets for diversification, and other information about development. This document is not given to the donor prospect; instead it is used as a guideline by the person doing the fundraising.
    - Suggested probing questions, questions that should put the prospect at ease and encourage him or her to open up.
    - A template for directors to use to keep track of their individual fundraising results.

Whether the board is ready to play supporting or leading roles, don't let them go out into the market without air cover. Provide those board members – AHEAD OF TIME - with the fundraising toolkit, guidelines and rules they need to follow, and limitations they need to respect. Put your toolkit in place well in advance of fundraising activity, and avoid fundraising mishaps before they take place.

SUMMARY

When it comes to the board's role in fundraising, there is no single answer – and no easy answer either. It behooves every nonprofit board to collaborate on defining that role, upholding their mutual decision and commitment, and staying focused on the desired results.

About the Author: Ellen Bristol, president of Bristol Strategy Group, is an expert in fundraising productivity, and a thought leader in managing the performance of the fundraising team. She is the developer of the firm's flagship methodology Fundraising the SMART Way®, an evidence-based model for managing the fundraising effort on the basis of continuous improvement. Ellen developed The Leaky Bucket Assessment for Effective Fundraising, the largest research study of staff fundraising productivity.

Ellen is the author of Fundraising the SMART Way: Predictable, Consistent Income Growth for Your Charity, published March 2014 by John Wiley & Sons, and co-authored The Leaky Bucket: What's Wrong with Your Fundraising and How You Can Fix It, published August 2013 by CharityChannel Press, with Linda Lysakowski ACFRE. In August of 2014, she published the first-ever benchmarking study based on Leaky Bucket data, called Fundraising Down the Drain 2014. A second study is due for publication in the second half of 2016.