

PENSACOLA STATE COLLEGE

Nonprofit Center for Excellence and Philanthropy



How to Create a High Functioning Fundraising Board

Answer ten questions and submit answers on the sheet provided at your table. We will collect before we begin.

WELCOME

Dr. Ed Meadows
President of Pensacola State College

WHO IS IN THE ROOM?

Your Name

Organization Represented

Position of Representative

***Please submit any questions you would like
answered on the notecard provided.
Courtney Reed will be around to collect.***



PENSACOLA
STATE COLLEGE



How to Create a High Functioning Fundraising Board



EXPERT SPEAKER: MICHELLE BUCHANAN

Michelle Buchanan, CFRE is a Principal in the Dini Spheris Houston office. When in a tough spot, Michelle will settle for nothing short of success and the celebration that follows achieving a goal. Her goal is to make others better – to strengthen the skills and results of those with whom she works.

Building strong, trusted relationships was one of the secrets to Michelle's success as a development professional and major gift officer. Michelle began her fundraising career at the Wesley Community Center, eventually serving at the University of Houston's main campus. Before joining Dini Spheris, Michelle

was a leader among the major gift solicitors at The University of Texas MD Anderson Cancer Center. There, Michelle managed an annual portfolio of over 150 individuals – many of whom she would come to regard as personal friends.

At Dini Spheris, Michelle has served as team leader on numerous projects. Those projects include building a centralized philanthropy program for St. Louis' Mercy Health system, which spans four states and 32 hospitals, as well as working with Medical Center Hospital in Odessa, Texas, to create the first-ever major gift foundation. A graduate of Texas Tech University, Michelle is often heard speaking at major professional conferences in nonprofit, educational and healthcare philanthropy.

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Attendees will benefit from trainer's expertise regarding:

- How to create a fundraising culture on the Board
- Roles that board and staff generally play in fundraising
- Build an understanding of the different types of fundraising; and, define which type fits the financial model of which nonprofit
- Define how board members can be most helpful and supportive of different fundraising strategies
- Best position attendees to support expectations for board member engagement in fundraising
- Build common understanding around the prerequisites for successful fundraising by board and staff



Full participation in this workshop is applicable for 7 points in Category 1.B – Education of the CFRE International application for initial certification and/or recertification.

Today's Discussion

- Culture of Philanthropy
- Best Practices: Board Roles and Responsibilities
- Donor Motivations
- Roles in Donor-Centered Fundraising
- Funding your Organization



Culture of Philanthropy

Philanthropy and Culture

- Philanthropy
 - Active effort to promote human welfare
 - A philanthropic act or gift
- Culture
 - Attitudes and behavior that characterize a group or organization



What is a Culture of Philanthropy?

- A philanthropic culture is one in which the organization values, treasures and promotes giving as intrinsic to its organizational mission.
- It is understood that philanthropic support is an outcome of its existence and mission delivery.



Characteristics and Principles

- Transformational not transactional
- There is an inherent joy in giving
- Value-based giving
 - Philanthropic gifts are a transfer of values
 - More than dollars, gifts reflect values
 - Expressions of shared values increase gifts



Characteristics and Principles

- Every gift is important and appreciated
- Gifts can leave a legacy
- Based on long-term relationship building
- Universal understanding that philanthropy is essential to organizational health
- Philanthropy is a means to achieve the mission



Components Impacting High Performance

- Mission, Vision and Strategic Plan
- Volunteer Leadership
- Program and Beneficiaries
- Professional Staff
- Infrastructure and Financial Management



Defining High Performance Mission, Vision and Strategic Plan

- Basis for all major decisions
- Created with input from all constituents
- Importance and relevance is evident:
 - Defined in writing
 - Reflected in day-to-day activities
 - Articulated easily by all
- Identification of issues that will impede goal achievement
- Includes a comprehensive plan for funding



Defining High Performance Volunteer Leadership: Board and Committees

- Investment in the mission (time, talent and treasure)
- Share the values of the organization
- Serious approach to governance
- Understand and embrace their role
- Educated on programming



Defining High Performance Program and Beneficiaries

- Fulfill a valid need in the community and the mission and vision of the organization
- Shared understanding that philanthropy is essential to mission delivery
- Continuously improved
- Understand the people they serve
- Efficient in use of resources and service delivery



Defining High Performance Infrastructure and Financial Management

- Efficient and thoughtful processes and policies:
 - Development
 - Financial
 - Other
- Service oriented
- Donor-centered
- Diverse funding streams with opportunity for growth

Defining High Performance Professional Staff

- Integrity
- Committed to the mission
- Involved and engaged in the strategic planning process
- Donor- and volunteer-centered
- Team oriented (internal team and external team)



Defining High Performance

- How do we rate on a scale of 1 to 5?
 - Mission, Vision and Strategic Plan
 - Volunteer Leadership: Board and Committees
 - Program and Beneficiaries
 - Infrastructure and Financial Management
 - Professional Staff
- How do we reach our maximum potential?



Taking It To The Next Level - A Culture of Philanthropy



Testing For A Culture of Philanthropy

- Everyone knows the mission and names of donors and board members
- Welcoming to students, clients, co-workers, etc.
- Donor plaques and other recognition are displayed prominently and well-cared-for
- Publications and marketing materials recognize donors (annual report, web site, etc.)
- Personal contact with donors
- Everyone plays an active role in development



Your Challenge

- List three actions you pledge to take that will support and sustain a...
 - High Performing Organization
 - Culture of Philanthropy
- First action: annually support

Nonprofit Panel – Lessons Learned

Panelists:

Stacey Kostevicki

Missy Rogers

KC Gartman

Best Practices: Board Roles and Responsibilities in Fundraising

Five Pillars of Successful Fundraising

Case for Support

A clear and compelling case for support based on funding objectives and institutional goals

Leadership

Committed staff and volunteers with clear roles and willingness to participate actively in the fundraising process

Infrastructure

Strong, capable fundraising staff with the right policies and procedures to inspire confidence in donors and volunteers

Prospects

Engaged prospective donors capable of making generous gifts and whose values align with the organization's values

Culture of Philanthropy

Compelling and Articulated Case for Support

- Boards should make decisions driven by the strategic plan
- Promote specific, clear objectives and operational plans
- Set realistic yet challenging goals
- Support a case that builds donor confidence and shows impact
- Be comfortable articulating the case for support

Committed, Driven and Trusted Leadership

- Boards should:
 - Embrace the mission, vision and values of the organization
 - Represent affluence and influence in the community
 - Share their talent, time, treasure and teamwork
 - Oversee high performance of the organization
 - Hire, support and evaluate the CEO

Internal Development Systems and Staffing

- Boards should:
 - Oversee the comprehensive development plan including goals and performance metrics
 - Appropriate resource allocation regarding technology, data management, staffing and donor engagement
 - Commit to best practices



Qualified, Motivated Prospects and Donors

- Boards should:
 - Be willing to utilize their own personal connections to build a consistent strategic pipeline of new prospects
 - Engage with prospects and donors to strengthen their relationships with the organization
 - Participate in the stewardship of donors

Genuine Philanthropic Culture

Boards should:

- Participate in creating a culture of philanthropy
- Serve as ambassadors for the organization
- Be meaningfully involved in fundraising activities

Board Life Cycles

Organizing

- Volunteer leaders acting as additional staff
- Very involved in day-to-day activities

Governing

- Working with staff, focused on operational issues
- Oversight, governance and management are a major focus

Mature/Fundraising

- Work centers on strategic and long-term planning and visioning
- Fundraising is a major role and responsibility



Recognize Where You Are

- Identify and stay committed to the ideal position for your organization
- Acknowledge and celebrate the many milestones between what may be “today’s reality” and the ideal position
- Organizational growth and board growth happen incrementally
- Systematic, purposeful and focused steps advance growth!



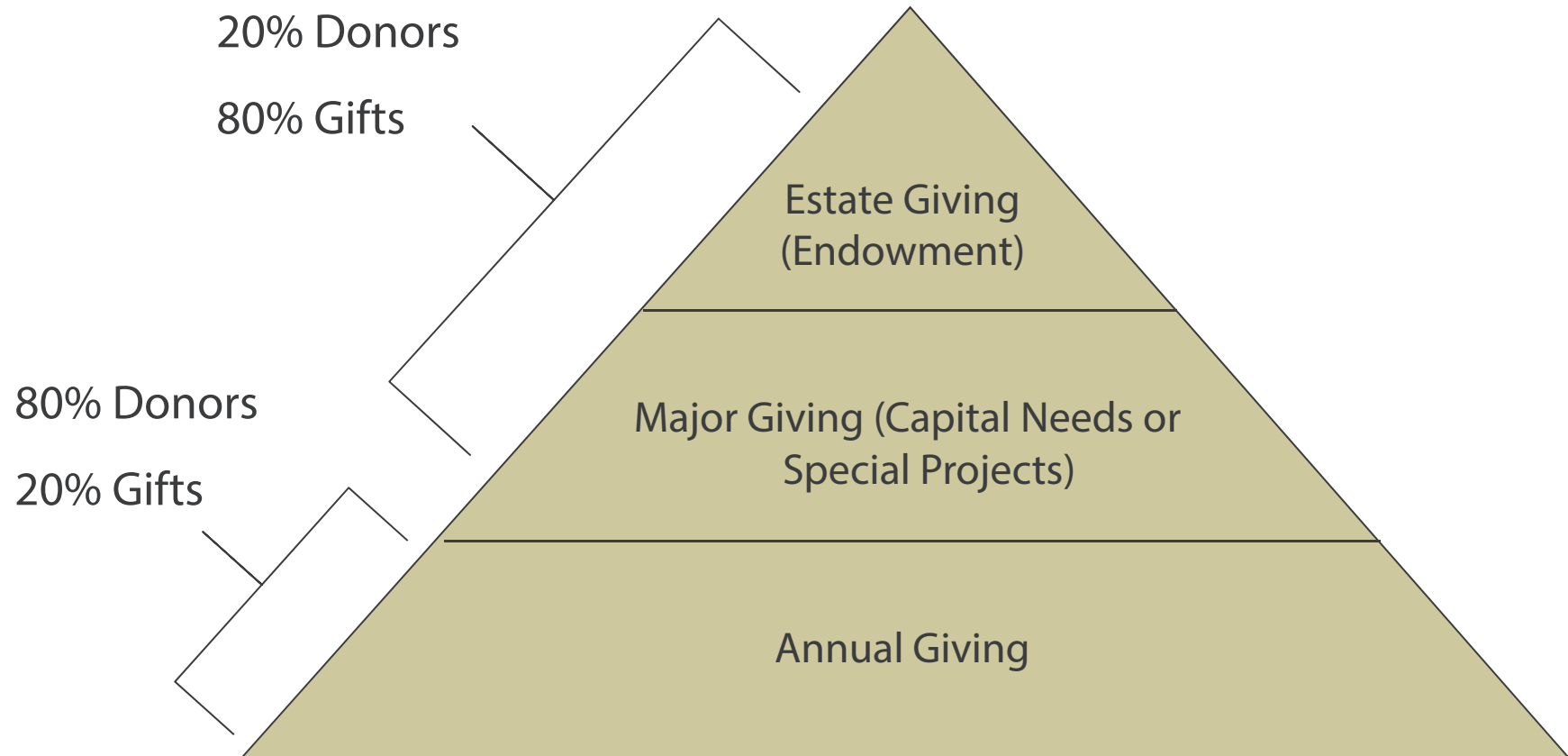
Issues that Undermine Effectiveness

- Lack of orientation and training
- Lack of systems and structure (terms, committees, collaboration, etc.)
- Lack of commitment to the strategic plan (e.g., “lone rangers”)
- Perhaps most importantly... absence of recruitment strategies and succession plans (Committee on Directorship)



Donor Motivations

The Basic Giving Pyramid



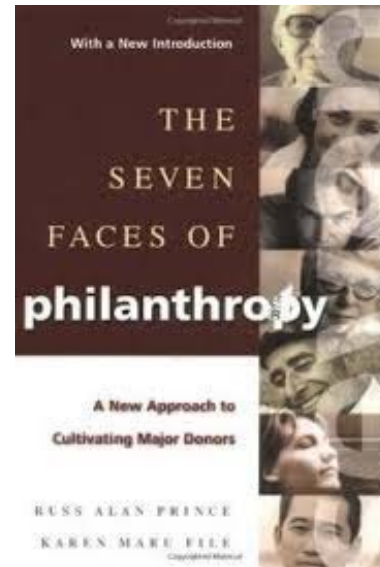
Understanding Your Prospects

- Do you know...
 - What your prospect values?
 - What motivations ground their giving choices?
 - Why they give?
 - What they are capable of giving?
 - What you would ask for?

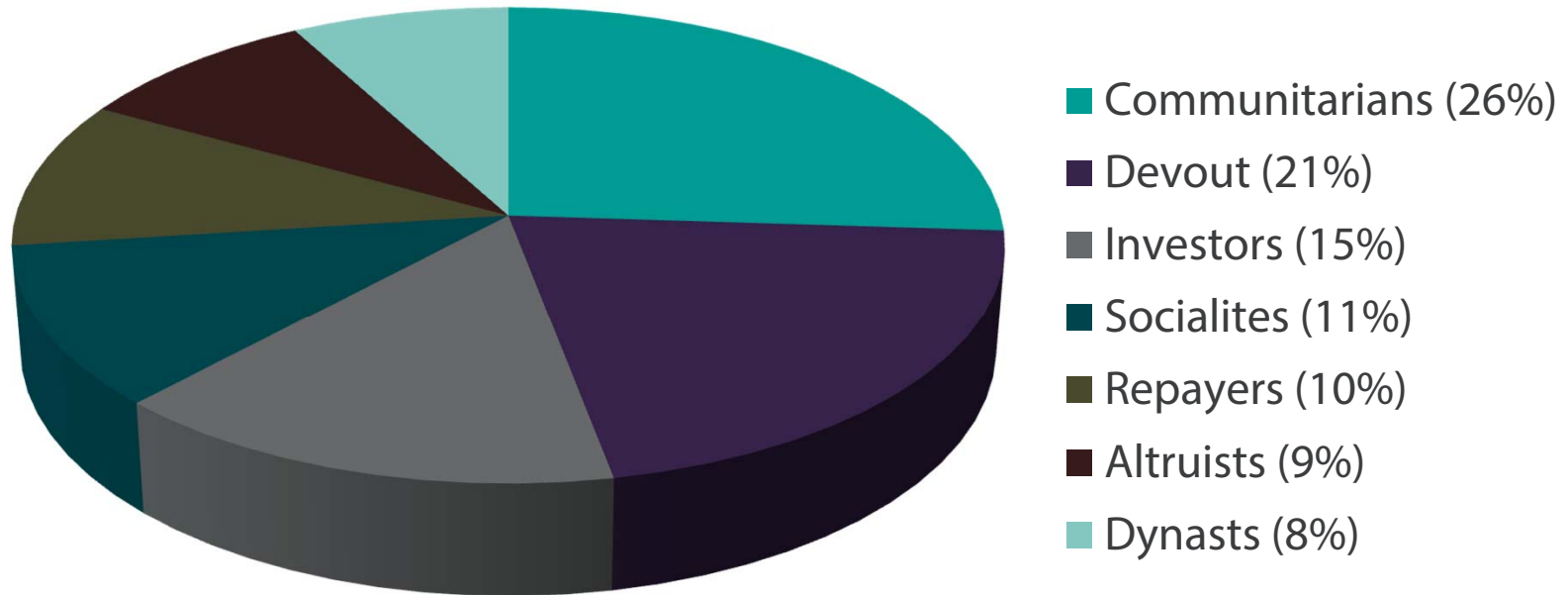


The Seven Faces of Philanthropy

- *The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors*
- Russ Alan Prince & Karen Maru File (Jossey-Bass, San Francisco)
- Philanthropically motivated individuals
- Donors of \$50,000 or more
- Assets of \$1 million or more
- Men and women



The Seven Faces of Philanthropy



Prince, Russ Alan and File, Karen Maru, The Seven Faces of Philanthropy: A New Approach to Cultivating Major Donors, Josey-Bass, Inc., Publishers, (San Francisco, CA) 1994.

The Communitarian (26%)

“Doing good makes good sense.”

- Local history, roots and giving
- Personal and family well-being tied to the well-being of the community
- Philanthropy has an expected benefit – impact on the community



The Devout (21%)

“Doing good is God’s will.”

- Proportionate giving
- 96% of giving directed to faith matters
- Supports outreach and mission work
- High trust – giving is an act of faith in the religious community and its leadership



The Socialite (11%)

“Doing good is fun.”

- Motivated by creativity
- Event planning and hosting
- Fundraisers more than donors
- Philanthropy as social exchange – of building or increasing a social or business network



The Repayer (10%)

“Doing good in return.”

- Response to life-changing experience
- Benefit first; then charitable response
- Highly focused giving
- There is a desire to extend the benefit
- Emphasis on results and beneficiaries



The Altruist (9%)

“Doing good feels right.”

- Genuine selfless donor
- Internally driven – self-actualizing
- Focuses giving on the marginalized
- Wealthy have greater obligations to give
- Tends not to be influenced by others

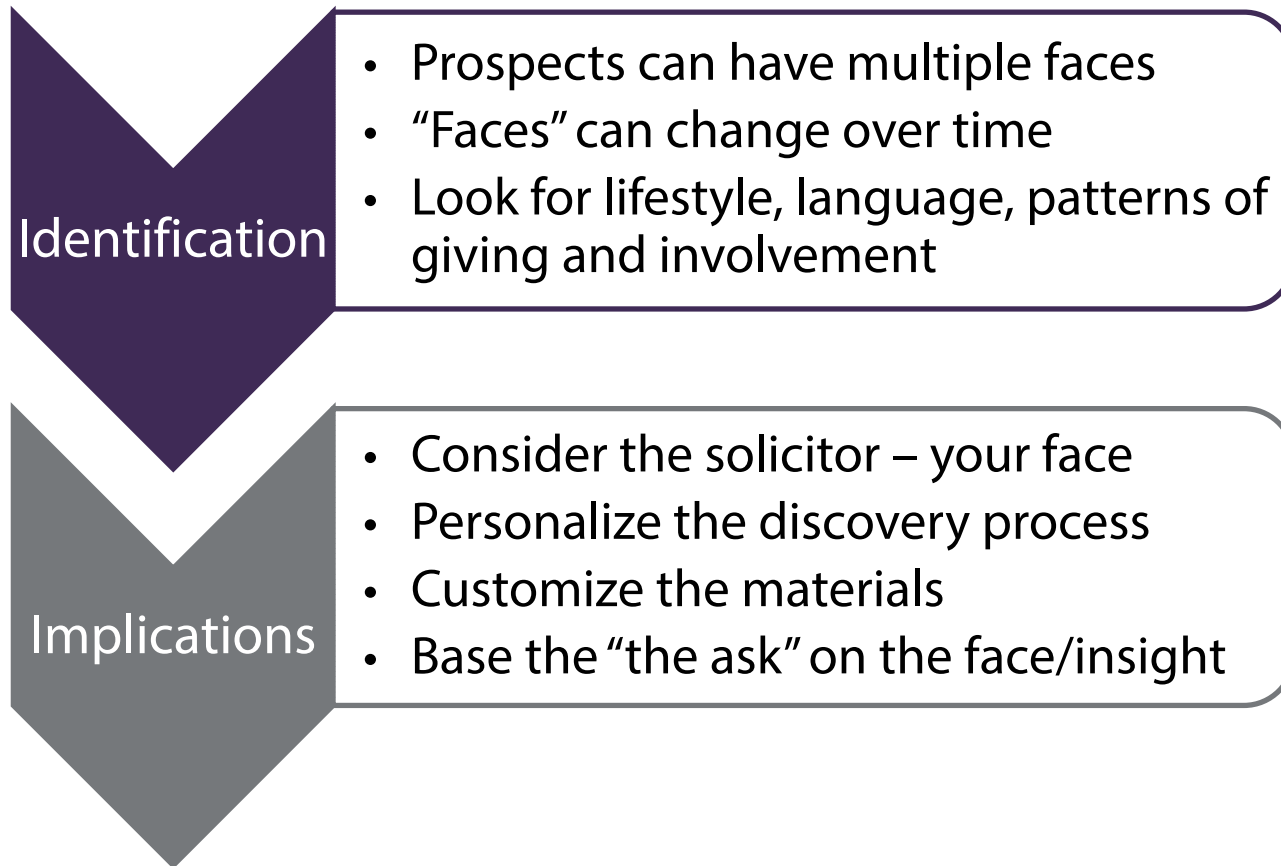


The Dynast (8%)

“Doing good is a family tradition.”

- Philanthropy is a strong family value
- Generational differences – creativity
- Most careful and selective of all
- Focuses on core mission of institutions

Applying the Seven Faces



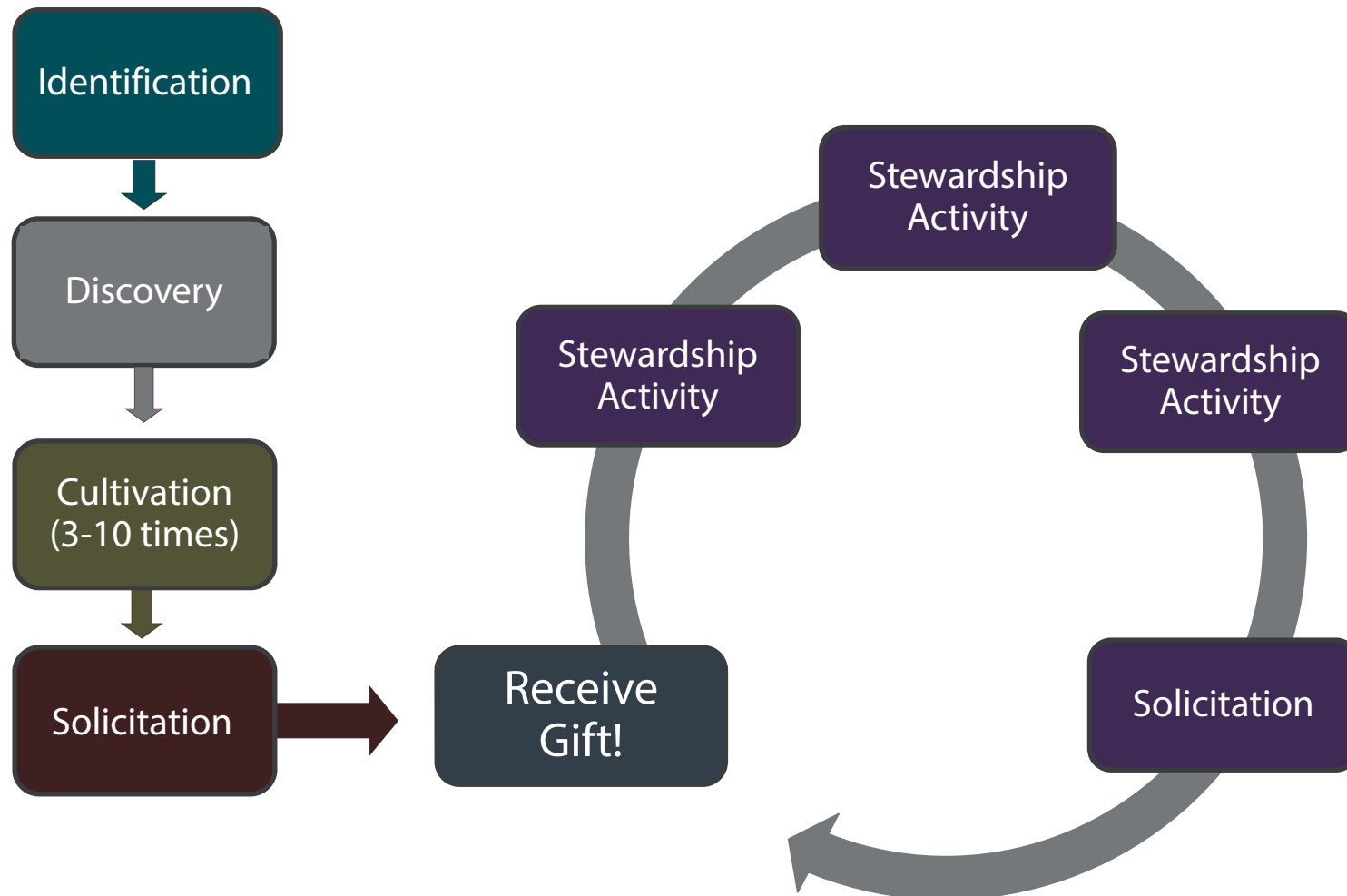
Uncovering Donor Motivations

- Revisit your five names
- What “faces” do you see reflected in those prospects?



Roles in Donor-Centered Fundraising

Donor-Centered Fundraising Cycle



How can Leadership be involved in Identification?

- Review their networks and circles of influence
- Identify donor prospects and report their information to the staff
- Keep an eye out for information about donors or prospects — in the paper, on the news, at other charity events — and share it with the development office
- Create an organizational mission speech — and use it!
 - Philanthropic messaging



How can Leadership be involved in Discovery and Cultivation?

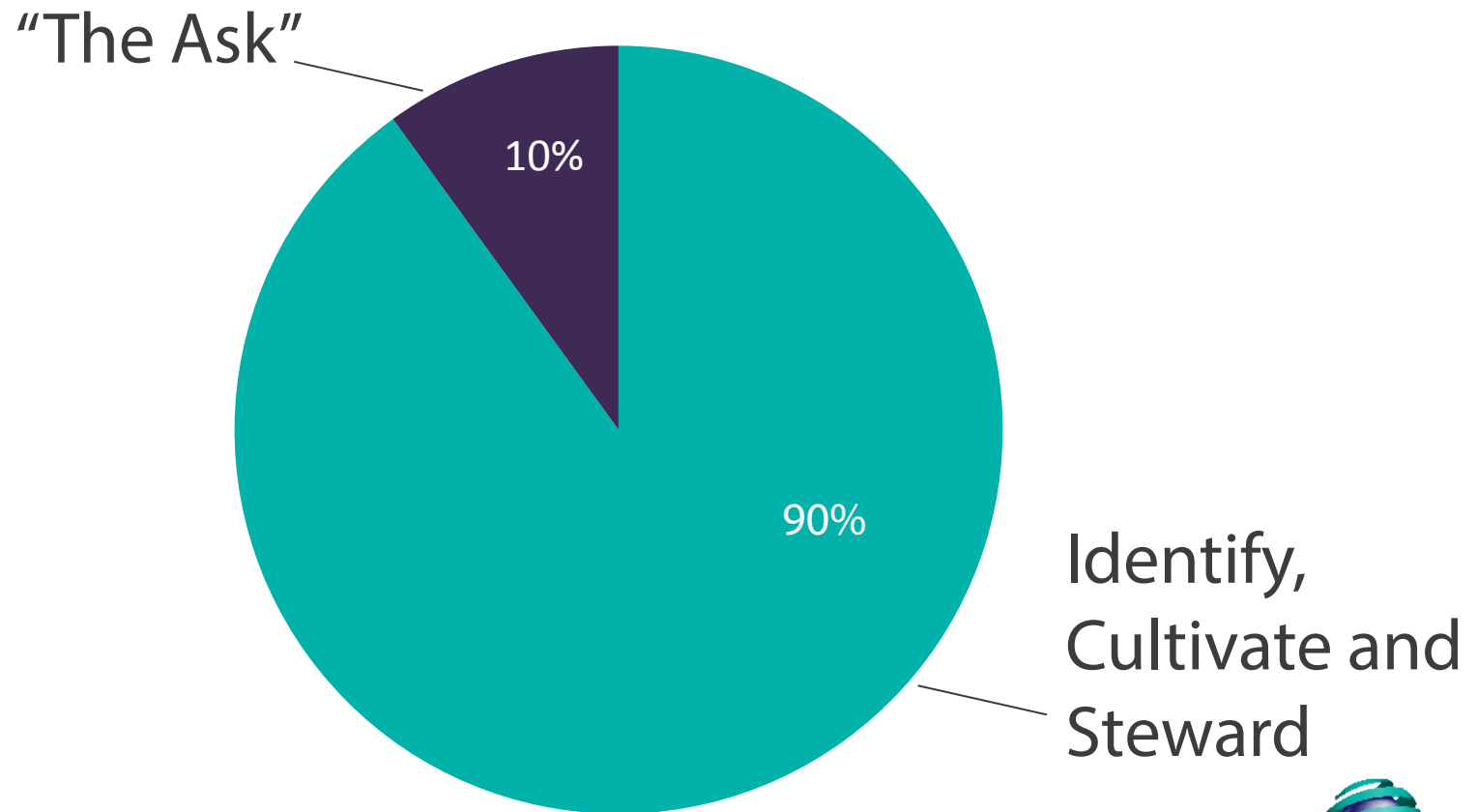
- Invite someone to see a program or activity
- Ask someone to become a volunteer
- Host a cultivation (or stewardship) gathering at their home
- Visit with a donor or prospect at an event or program
 - Share findings with staff

How can Leadership be involved in Solicitation?

- Lead by example – first make a personal, generous stretch gift
- Be part of the team that asks for a gift, without being the person to ask
- Set up the case for support and talk about why
- Ask for major gifts



How can Leadership be involved in Solicitation?



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How can Leadership be involved in Stewardship?

- Make a phone call to thank a donor for his or her gift
- Write a personal thank-you note
- Phone or write donors with important information about the organization
- Invite them to organization functions

Group Discussion: Volunteer Leadership and the Donor Cycle

- Staff: How have you engaged volunteers in the donor cycle?
- Volunteers: How have you participated in the donor cycle for your organization?



Funding Your Organization

Sample Budget Summary

Source of Funds	
Government Grants	35%
Earned Income (Fees)	32%
United Way Funding	10%
Philanthropy	23%
Other Sources: Membership Fees	



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Philanthropy Revenue

Fundraising Strategies	
Individual Giving	35%
Special Events	25%
Private Grants	30%
Direct Mail and other Annual Support	10%



Wrap-Up and Immediate Next Steps

Our actionable next steps to advance fundraising:

- 1.
- 2.
- 3.

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Nonprofit Panel – Lessons Learned

Panelists:
David Peaden
Wes Hudgens
Ed Carson
Kathleen Logan

Post-Quiz

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Success With Comprehensive Campaigns

Coming May 15th