

Building the Philanthropic Board

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Effectively Vetting Board Directors for Nonprofit Organizations

6 essential keys to success



Jim LaJoie
Executive Director
Superior Health Foundation

Recruit passion ... not titles

Important to seek out potential directors with skill sets to effectively govern a board

- accountants
- business owners
- attorneys

However

Most important

- believe strongly in your mission
- actively communicate he/she wants to be part of carrying out your mission



“I love this organization and want to do my part to ensure its success.”

Clearly define roles and responsibilities so there are no surprises



Discuss what is expected of board directors in an honest, open forum, including:

- Review meeting times
- Committee structure
- Fiduciary responsibilities
- Expectations to enhance and support
- Seek input on how he/she would be an ideal fit for your organization

Ask the candidate, “Why do you want to serve on our board?”

Develop a process for recruiting board directors and stick to the process

If you do not have a policy in place to recruit board directors, develop one. It is important to adhere to a process so there is no confusion.

CEO's/Executive Directors should never lead the process. He/she can be involved in the discussion, but the whole idea is to bring on board members not personal friends.

Maintaining the culture is imperative.

Conduct due diligence

Your organization, i.e., Nominating Committee chair, should ask board candidates four key questions:

1. Can you fulfill our board's fiduciary and legal oversight responsibilities?
2. How have you already demonstrated a passion for organizations like ours?
3. Do you fundamentally have the time to serve on our board?
4. Are you able to meet the board's fundraising requirement? (If you have one)

Ensure cultural fit

Identify candidates whose goal is to advance the mission rather than their own personal/resume gain.

What to look for in good candidates?

- People who are good listeners
- People who ask probing, thoughtful questions
- People who are well respected and engaged thinkers
- People who clearly understand their role is not the CEO's
- People who are happy to be ambassadors of your organization and tout its good work

Finally, guard against Conflict of Interest and have a document in place

Your organization's reputation and standing in the community are only as good as your transparency in conducting your operation. **Perceptions matter** if you want to raise money.

Be certain there are no glaring Conflicts of Interest in joining the board and discuss potential conflicts and best practices.

Be certain to have a Confidentiality Policy in place.

Strong board leadership is essential in the process.

Questions?

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Philanthropy is Fundraising

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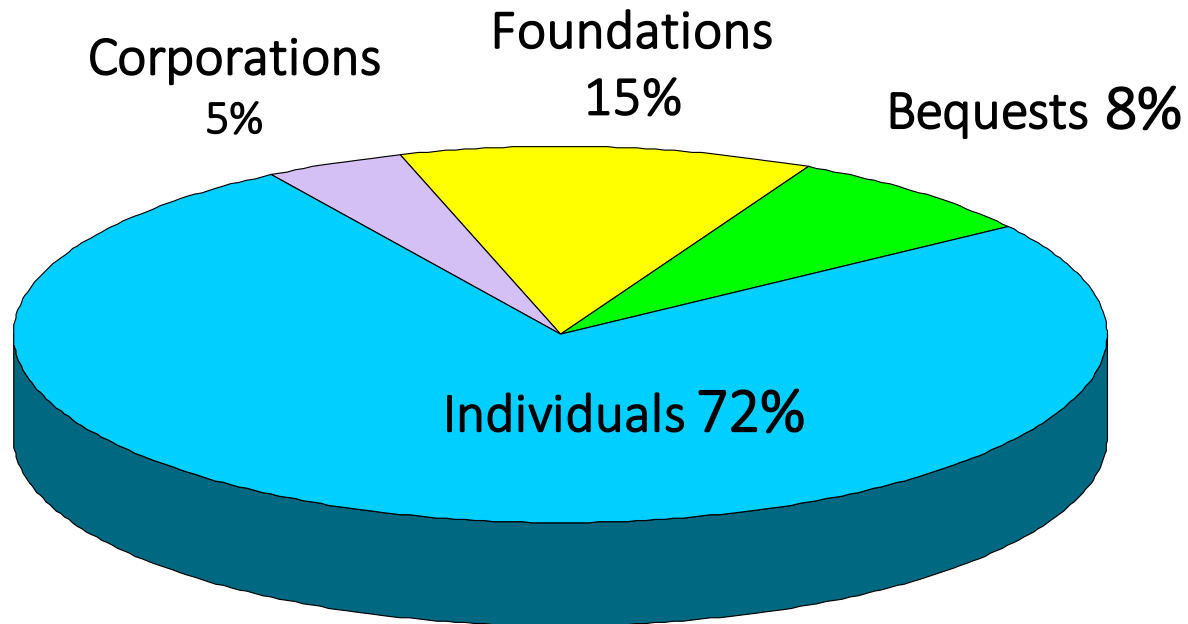
Fundraising is the
gentle art of teaching
the joy of giving.

- Hank Rosso

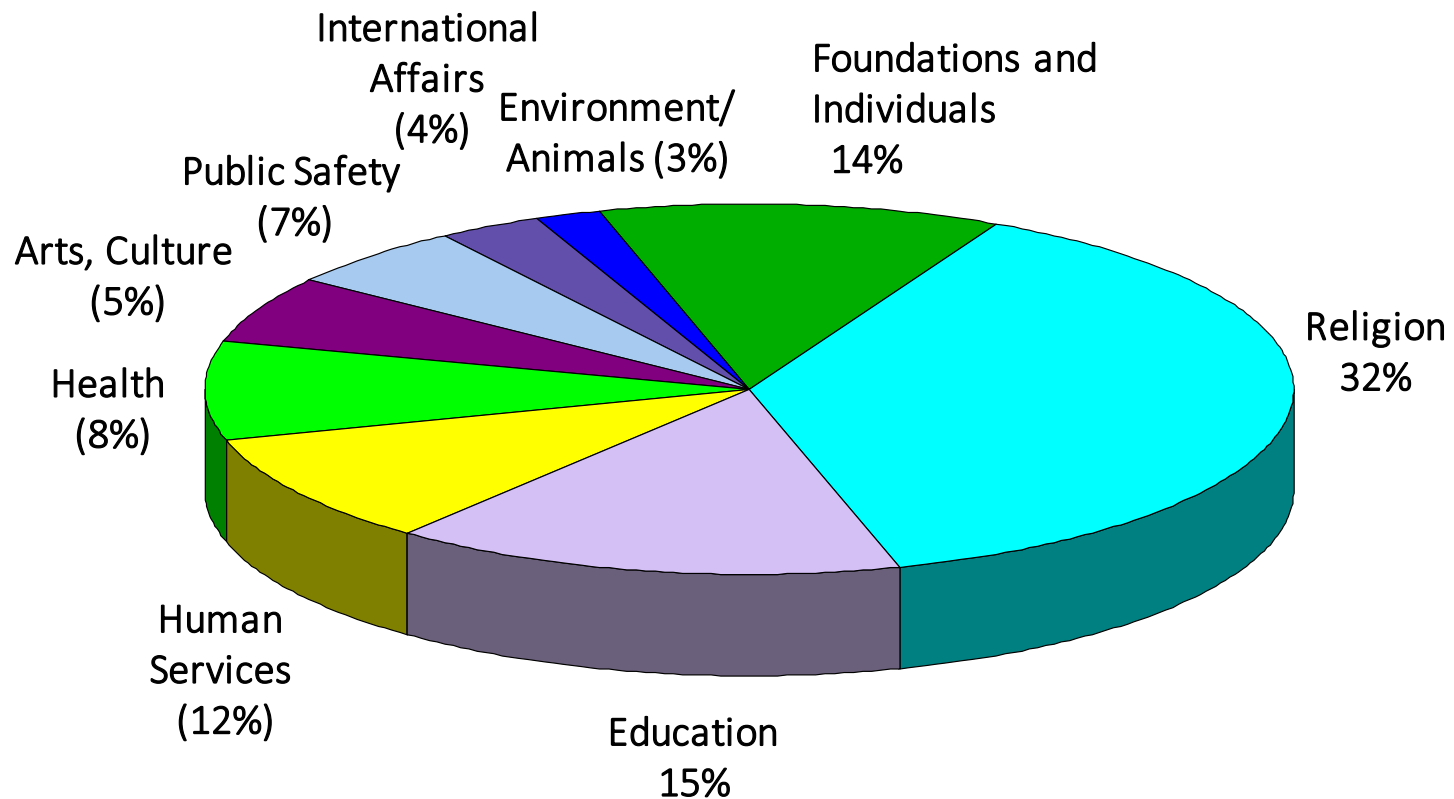
Fundraising is also...

The **right** person asking
the **right** prospect
for the **right** gift
for the **right** program
at the **right** time
in the **right** way.

2014 CONTRIBUTIONS: \$358.38 BILLION BY SOURCE OF CONTRIBUTIONS



2014 CONTRIBUTIONS: \$358.38 BILLION BY TYPE OF RECIPIENT ORGANIZATION



Giving USA 2015

Where Are Our Donors

- Board Members
- Our Inner Circle
- Major Donors
- Membership Org.
- Segment by Donors and Active Members
- All Members
- Volunteer Organizations
- Long time Volunteers
- All Volunteers
- Organization
- Management Staff
- All Employees
- Community

People Who Give

- Members of the community, local business owners and people who believe philanthropy is good for all.
- People who believe in God and are doing his will.
- Giving was taught to them by their parents and its just what you are expected to do.

Who Are Our Donors

- People whose primary motivator is taking care of their family and they give because of tax reasons.
- People who give for social reasons. They enjoy group activities, events and having fun.
- People who are selfless. They care about causes and doing good.
- Lastly these are people who have been helped by your cause or a similar one.

Where to Start: The Annual Fund Campaign

- A campaign run every year to raise operating support.
- Dollars come from past, present and new donors.
- Dollars come from individuals, corporations, businesses, foundations, professions and civic organizations such as service clubs.
- 60% of dollars raised are done through personal solicitation of these sectors.
- 40% of dollars come through mail campaigns, special events, and telephone.
- The annual fund is generally spearheaded by staff and uses engaged board members and volunteers.
- Generally you have a annual campaign chair and committee that organizes the campaign.

Prospects and Donors (Link, Ability, Interest)

Prospect

Past
Donor

Repeat
Donor

Upgrade

Key Roles and Responsibilities

- CEO or Executive Director is the key spokesperson and works with the campaign chair.
- Top leadership must be recruited and trained at least three months prior to kicking off the annual campaign.
- A marketing plan is developed to inform the public about the campaign.
- A case statement or extensive brochure is developed that lays out specifics of the campaign.
- Key leadership - board, staff and management make their financial commitment.

Annual Campaign Pitfalls

- High costs, low return
- Inadequate or no planning
- Unrealistic goals
- Lack of follow-up
- Failure to acknowledge gifts
- Ineffective communication with donors
- Unresponsive board
- Untrained and unwilling volunteers
- CEO or Executive Director doesn't understand fundraising and can't lead the charge

The Reason for an Annual Fund

- Establish the habit of giving
- Basis for Planned Giving
- Inform donors annually about your successes and accomplishments
- Renew commitments from donors
- Develop new donors for donor base
- Stewardship opportunity

Stewardship

Heather Steltenpohl

Development Director

Peter White Public Library

Stewardship

In relationship-based fundraising, stewardship focuses on nurturing the donor's relationship with the organization.

Acknowledge every gift in a timely, personal & appropriate manner.

- Receipt Letter
- Thank you Card
- Newsletter Lists
- Phone Calls
- Board Meeting Announcements
- Year-end Receipts
- Annual Reports
- Donor Recognition Displays
- Media Release & Publicity Materials

Be Present and Available

Communicate without solicitation

- Greeting Cards
- Insider Letters
- Involve in Opportunities
- Open Door Policy

Provide Information on the Gift's Impact

- Donor and Volunteer Appreciation Night or Open House Events
- Private Tours or Meetings
- List of items purchased
- Quotes and anecdotes from program participants

Use the Gift as Directed

- Keep accurate, up-to-date donor records.
- Inform appropriate staff about the nature of the gift.
- Never borrow from a designated gift or fund to cover other expenses.
- Do not accept a designated donation that the organization cannot fulfill.
- Do not accept any donation that doesn't advance the mission of your organization.
- Keep private information private.

Keep donors abreast of issues

- Remember to treat donors as family members of the organization.
- Make sure donors have accurate, up-to-date information.
- Donors should know the truth—both good and bad.

If they support your mission and are comfortable with the information they've received, informed donors will support you in good times and bad.

Do not miss
an opportunity
to thank your donors.