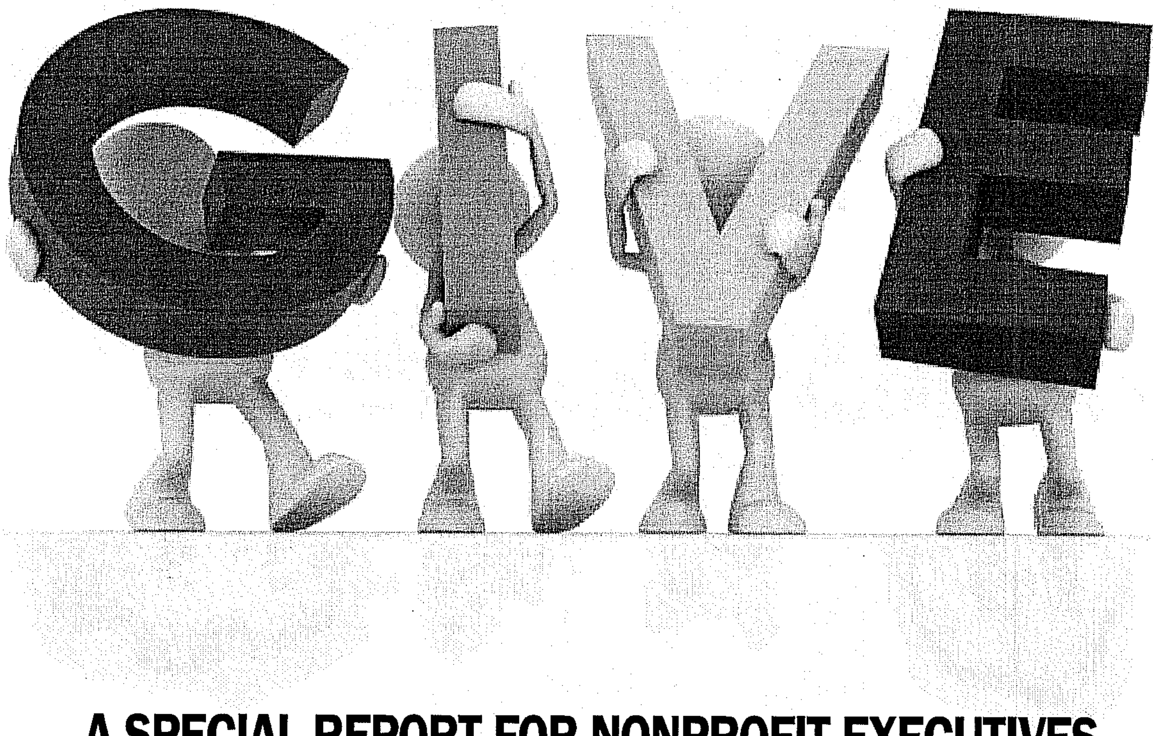
PBP ExecutiveReports

21 Ways Board Members Can Raise More Money



A SPECIAL REPORT FOR NONPROFIT EXECUTIVES

21 Ways Board Members Can Raise More Money

PBP Executive Reports are straightforward, fast-read reports designed for time-pressed upper-level executives and managers. PBP Executive Reports excel at cutting the fluff, eliminating jargon and providing just the information today's executives need to improve their organizations' performance.

This PBP Executive Report was written by the editor of *The Nonprofit Board Report*, one of the most respected newsletters serving nonprofit professionals. Not only does this report include effective techniques and proven strategies, it also delivers the best and latest thinking on ways that nonprofit boards can contribute to fundraising.

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EXECUTIVE SUMMARY

Executive Summary

There was a time when boards were expected to "give or get," as the expression goes.

But no more.

The bar's been raised on board fundraising. Donors, grantmakers and other stakeholders want to see the organization they support is led by a board that has a hand in fundraising.

After all, if the board doesn't participate heavily in the fundraising process, why should anyone else?

It starts with board gifts. These same constituents expect to see 100% percent board participation in giving. And it's for the same reason – if they don't give, why should anyone else?

Fortunately, beyond making their own gift, there are many ways for board members to get involved in the fundraising process. Some have to do with "making the ask" – actually asking someone for money, something that strikes fear in many a board member's heart. But many other fundraising tasks are more about getting to know new people – networking – and inviting those people to learn more about the organization, its programs and its mission.

This might be something as simple as linking one's own personal Facebook page to a new item on the nonprofit's Facebook page.

Or it could be making a phone call or writing a note just to thank someone who's made a contribution.

In addition, there are important tools a board can use to promote a fundraising mindset in its ranks. These vary from small modifications to a meeting agenda that highlights fundraising to bigger-scale tactics that draw attention to the board's commitment to supporting its nonprofit financially.

Once board members have committed themselves to this support, they'll feel more comfortable reaching out to others to solicit contributions.

Included in this Executive Report:

- Building a fundraising culture
- Board leadership in giving

- Reaching out to donors
- Cultivating donors
- Making the ask

The Executive Report

21 Ways Board Members Can Raise More Money

It's a known fact: The passion and commitment board members show for the organizations they serve is a strong sign to donors and potential donors about whether they should give, too.

Hence the idea board members should lead by example – by giving their own gifts and by helping secure gifts from others.

Here are 21 fundraising best practices for board members, grouped into five categories. If your board isn't doing them, start with one – the one that seems most feasible for your unique circumstances – and tackle it. Then when you've conquered that step, move on to the next.

Build a fundraising culture

Often what makes the difference between an organization whose board successfully takes the lead in raising money and one that doesn't is the former has a true fundraising culture. The hallmark of that is the board sees the nonprofit's financial strength and viability as its responsibility, not as something they help with when possible.

That's a huge distinction, and it affects how the board tends to its fundraising duties.

Here are four strategies that can help transform a governing body into a fundraising board:

1. Develop your governance committee

The governance committee is the board's watchdog body, so it can have a huge impact on the culture of the board.

Many groups have nominating committees. But it's a best practice to shift the focus of this group to governance rather than just nominations, and emphasize its year-round responsibilities.

Leading the list of these responsibilities is drawing up a board member job description that emphasizes fundraising. Also included with the job description should be a letter of commitment board members sign when they join the board and every year after until their term ends. The letter of commitment should cover the board fundraising menu of options.

This committee may also play a role in developing board fundraising report cards, which will be addressed later in the report.

2. Recruit for fundraising

Does this sound familiar: "My friend Jean doesn't have a job right now – maybe she can be on our board!"

This is not the best approach.

Sometimes boards are so desperate to fill empty board seats they enlist whoever's willing. But building a fundraising culture starts with the nominations process, and part of the governance committee's job is to oversee the nominations process.

That's why the best boards make fundraising – and board members' critical role in fundraising – a part of every interaction and conversation between a prospective board member and those recruiting that person.

3. Talk about fund development first and often

A board meeting is a snapshot of that governing body's priorities.

It can be very telling if a meeting takes place where fund development isn't discussed – it sends the message that fundraising isn't the board's concern.

Instead, make sure the topic of fund development is placed on every meeting agenda and has training to go along with it. This makes it clear to the board and staff that fundraising is one of the board's primary responsibilities.

Best practice: Put fundraising at the top of the agenda.

4. Pay your own way

Sure, board members give a lot of their valuable time when they serve as part of an agency's governing body. So it can seem like a reasonable thing to request reimbursement for travel expenses and overnight accommodations, for far-flung boards.

But what message does that send?

It sends the message board members should *get* from the organization, rather than *give*.

And that's not a message that reinforces a board's basic responsibility to ensure the organization's financial strength. So instead, find ways to defray basic board costs. For instance, a board member may want to step forward to "sponsor" a meeting, maybe by donating money for the refreshments or paying the catering bill.

Another approach is to put a plate or jar in the middle of the board table and ask board members to contribute their loose change and small bills at the start of the meeting.

This quite literally puts board contributions on the table.

Note: These gifts are separate from board annual donations; they don't take the place of them. And this small ask needs to come from the board chair, never from a staff member.

Board leadership in giving

The kinds of practices in the previous section help create a context for board-led fundraising. Here are four ways to boost board giving, which is the first step in board fundraising:

5. Make board giving a priority

Statistics vary as to how many boards achieve 100% of board giving – some say it's as low as 44% – but it's one of the most important things a board can do.

The problem is, not everyone sees it that way.

Some, for instance, may cling to the old "give or get" rule. But that rule is outdated – it's no longer enough to get donations in lieu of giving your own.

If your board has challenges – for instance, a certain number of former clients on the board, who may not have much disposable income – then find a creative way around that.

You need not set a dollar figure for these gifts. In fact, best practices dictate setting a policy that uses language like "a gift that makes you proud" or "your second or third philanthropic priority," rather than a dollar amount.

Those low-income board members can then give $1, if that's all they can afford.

Board members who refuse should step down. These days few donors want to support an organization if that group's own "leaders" don't.

When board members do make a financial contribution to the organization, these gifts should be recognized and acknowledged.

Like all other donors, they should get prompt acknowledgement of their contributions in writing. In fact, it's even more important, arguably, with board members. They're an organization's most important donors!

These donations should be celebrated during meetings and organization-wide.

The exception, of course, is when board members wish their gifts to remain anonymous, although with the requirement for all board members to give, anonymity for board donors to the annual campaign may prove impossible.

One way to draw attention to the importance of board giving as part of a nonprofit's annual revenue is to break it out as a separate line item in the budget. This shines a light on board giving, putting it in black and white, and making it impossible to ignore.

Even better, break down this line item into different types of giving, including annual campaign contributions, ticket sales for annual gala, etc.

Ideally, your organization is very transparent with its financials, making it easy for funders and prospective donors to know board giving is extremely important.

Note: The board campaign should be its own special campaign. It begins with the board chair's gift. The board chair then solicits other board members.

6. Put your organization in your will

For many reasons, including your nonprofit in your will is a smart and important idea.

When board members choose to include the nonprofit in their will – and, more important, choose to discuss their legacy gift – that's a helpful reminder to other board members and major donors.

What about board members who have wills, but don't want to include the nonprofit?

Of course this is a delicate topic, and it's not appropriate to confront this issue directly. However, it's important and appropriate for board members to ask themselves why they don't want to put the nonprofit in their will. Does the organization not deserve a $100 contribution bequest? It may be important to consider why – and whether it makes sense to continue serving on that board.

7. Provide an annual assessment

The budget is a prospective and ongoing assessment.

In addition, to give board members a retrospective assessment, the governance committee may want to work with the board chair to develop an annual (or semi-annual) board giving "report card."

This report must be anonymous, since the point is not to shame or embarrass board members, but rather to let them see how their own giving stacks up, and how board giving has grown (or not) over time.

How it works: The report card will be a list of board members, but rather than by name, trustees will be listed with a number or letter. You just have to tell members which number or letter is theirs.

The report card shows Trustee A's giving has climbed steadily and Trustee B's giving dropped precipitously over the past year. The actual numbers should be apparent, but the names linked with amounts shouldn't be discernable.

The report card lets board members know two things:

- First, since many may not realize how much (or how little) they give over time, it shows them just how much they do contribute, and
- Second, it shows them how their giving compares to their peers' contributions.

8. Give options

Board members should have choices as to how they can support their organization financially. That might be options for giving their gift over a period of a couple years or monthly.

In addition, when they support the nonprofit's cultivation efforts they should get a menu of options for that, too.

Note: The menu can't include time given as an alternative to a financial investment, however, since every board member must make that monetary contribution.

Reaching out to donors

One of board members' most important assets is their capacity for opening doors: serving as ambassadors for an organization, raising its profile and introducing new people to it (and new names to the database).

These are qualities that are difficult to quantify, but board members bring their connections and clout to the task.

Here are five ways they help reach out to prospective donors:

9. Introduce friends and family

Perhaps the easiest way board members can reach out to donors and help raise money is simply by talking about the organization they're involved with.

There are many ways to do this.

It can be as simple as using their logo'd mug and wearing their logo'd T-shirt whenever possible (and giving them as gifts, etc.), and then finding opportunities to introduce the topic as often as possible.

Once they've talked about the organization, they'll want to make sure to follow up. This can be done just by asking the person if they'd like to know more, and if the answer is yes, sending him or her a brochure or a packet of info.

Then the board members can follow up later to ask the person for feedback, asking questions like:

- What did you think about the materials we sent?
- Would you like to know more? and
- Would you like to be invited to an event or take a tour of our facility?

Finally, the board member needs to make sure to forward the information to the appropriate staff – like the person's contact info (along with the name of the board member making the introduction) and other relevant background and history, so it can be added to the nonprofit's database.

10. Participate in a donor-ranking session

Board members will help their nonprofit's fundraising efforts immeasurably by participating in – or setting up their own – prospect-ranking session.

Typically, this is a closed session involving just a handful of people. They get a list of possible donors and rank them in terms of their capacity and likeliness to give. Even the largest organizations have limited fundraising resources, and this helps focus board (and staff) efforts on the best prospects.

Crucial: A prospect-ranking session should be handled with tact and discretion. At the outset, the session facilitator should lay some ground rules, including the importance of confidentiality. Also, it's best to keep comments about each prospect on topic and stick to known facts as much as possible, keeping gossip and other extraneous conversation to a minimum.

Some board members may initially have a negative reaction to participating in a session like this. They may have an easier time if they can remember a few things:

- The point of the session is to find a way to raise as much money for the nonprofit as efficiently as possible, and
- Each prospect will be treated with tact and respect during the session.

11. Reach out to business

Local business can be a huge source of support for your organization, providing in-kind donations for such important things as marketing and publicity, event spaces, printing, media support, paper goods, catering, etc.

And board members are an organization's best resource when it comes to reaching out to business leaders. Many of them are executives or senior managers at local businesses or socialize with people who are – or both.

Two things to keep in mind when reaching out to business:

- Businesses forge connections with nonprofits in order to further their own strategic goals, and
- Since people give to people, in addition to looking to leverage strategic alliances, it's also important to seek prospective donors (and board members) in the ranks of the business community who will be passionate about your mission, rather than looking to fill out their

resumes or fulfill other professional goals of their own.

Here are a few ways board members can reach out to local businesses:

- Set aside time during a fund development committee meeting or meeting of the board as a whole to brainstorm connections in the business community
- Develop a specific plan and timeline for cultivating business leaders on that list
- Reach out to area businesses to suggest brown-bag lunch presentations by board members (or staff)
- Identify potential board members among middle management at businesses whose interests might dovetail with your organization's mission. Executives are also great, but may well have other board commitments or be in great demand. So middle managers, who are presumably on their way up in the ranks of a company, may be more accessible.
- Repeat all the steps of this process on a regular basis – annually, at a minimum.

12. Act as "connectors"

We all know people who are connectors. It's not just that they know a lot of people. They also take pleasure in making introductions, telling people who else they should know – and then facilitating introductions. They do this for moms whose kids are starting at a new school, small-business start-up entrepreneurs who might be able to use each other's services or network in other ways.

Board members need to act as connectors, too.

How does this help raise money for your nonprofit?

Board members and donors are involved with your group because of their passion for the cause, but they also want to have fun and to get something out of their affiliation with your group.

If they can make new connections that will benefit them personally or professionally, all the better. And those connections are very likely to uncover a relationship that may be beneficial to the cultivation process or otherwise benefit your organization.

13. Use social media

You may be sick of hearing it, but it's true nonetheless: One of the best ways to reach out to new people is through social media, especially Facebook. In fact, some predict that nonprofits' Facebook pages will replace their websites eventually in their importance.

For the smallest organizations, at a minimum, your board members need to "Like" your nonprofit's page and regularly comment on wall postings. They can also suggest to their friends that *they* like and comment on those postings.

Even better, and for organizations with more staff time to devote to social media, here are some ways to get more out of Facebook:

- post photos, videos and links relating to your organization and your mission
- widely publicize the Facebook page's link, including it in their personal signature lines
- schedule regular board updates, as appropriate
- plan for board members to populate the page with notes of their own (these should go through your nonprofit's communications officer)
- reach out to people who frequent the page and look for ways that person can engage his or her network
- look for other ways to make the most of Facebook's networking capabilities, rather than strive for top-down control.

Cultivating donors

Board members relax when they understand the most important and time-consuming aspect of fundraising isn't the ask, but rather the cultivation process.

And indeed, it's a process, not a single moment. It's everything that paves the way for the ask, so that by the time the solicitation call is made, the donation is all but a sure thing.

Board members are critical to this part of the fundraising process. They can set a tone of graciousness in all aspects of donor communications, for starters. And there are many other ways for board members to cultivate donors.

Here are a few of the most powerful and effective:

14. Say 'Thank you'

It's just as your mother taught you: You have to say "Thank you." And if that weren't enough reason, research shows this is one of the most important predictors of a repeat gift. This is valuable info, since it's easier and cheaper to get a repeat gift, than it is to find a new donor.

The best thank-yous should be prompt and personal. This means setting up a system so that board members find out quickly about gifts (either all gifts or gifts above a certain dollar amount, whatever is feasible and appropriate for your organization). They also need tools and training. For instance, their own nonprofit letterhead is a nice touch. Or board members can use personal stationary of their own.

The last thing is for a board member (or staff) to create a few different templates for the notes. This ensures uniformity that's in keeping with your nonprofit's brand. As a bonus, having a template makes it simpler for board members – they don't have to think about what to write each time!

For major donors, the thank-yous can be more creative and elaborate. (Caveat: Some donors really don't want to be thanked, in which case, it's best to honor that wish.) For this kind of thank-you gift, the people who know the donors best should be consulted about what they would most appreciate. In these cases, the gift should be in keeping with the nonprofit's mission and brand. To take an extreme example of a gift that wouldn't be, a fur scarf or monogrammed leather case would be inappropriate gifts to thank a donor to an animal-rights organization.

One special way to thank donors is a thank-a-thon. Donors are surprised and delighted to get a call from a board member just to say thank you.

With phone access so ubiquitous, board members can easily make calls individually and at their convenience. Perhaps more fun – and better for encouraging esprit de corps – is to set up an old-fashioned phone bank. Trustees can use their own phones, but make the calls from one location during the course of one evening.

It's a best practice to create phone scripts for this, which board members should rehearse before making calls. The key thing, aside from saying "Thank you," is to listen to what the donor has to say. There shouldn't be an attempt to address donor concerns that may crop up other than to acknowledge the person's feedback and reassure him or her you'll pass it along to the appropriate staff.

Groups who organize thank-a-thons comment on how well-received the calls are.

For best results, sign people up to make calls at a given time, especially if there are more than a handful participating.

Note: Refreshments are a great way to round out the event.

15. Get advice

There's an old fundraising adage: If you want advice, ask for money. If you want money, ask for advice.

Asking for advice is a terrific way to cultivate prospective donors. There are so many ways to do this – focus groups or other informal listening sessions, online or offline surveys, etc. Or it can be as simple as calling a major donor or major gift prospect and saying, "Hi, Susie, we're considering two themes for our gala," or "Hey, Joe, what do you think about the new building plans?"

The main thing is to listen to what donors are saying.

It can be so tempting to try to engage the donors in conversation. And certainly board members aren't going to remain completely silent in the face of donors' feedback. But the goal should be to listen at least twice as much as you speak – and to use verbal and non-verbal cues to signal you're listening.

And when the conversation is over, make sure to report any new relevant information to the appropriate staff, and, when the right time is to close the loop with the prospect on any further developments relating to the topic of conversation.

That really lets the person know you've been listening, and it's a great "in" to further cultivation of that relationship.

Note: Some board members may be better listeners than others. Those to whom it doesn't come naturally may want to practice with board members who can give them feedback on their listening skills.

16. Plan a party

A way to inject warmth into relationships with prospects is by inviting them to a house party.

The best house parties are held in special or particularly lovely homes, but that's not necessary. What's more important is to carefully consider the guest list and script the entire event, leaving nothing to chance.

A board member (or two) should act as hosts, including footing the bill for the party. When planning the event, make sure to have a specific purpose in mind. Is it to thank current major donors? To cultivate new donors? (You may identify overlapping purposes, but the primary goal should be clear and distinct.)

Then the board members (with staff) should choreograph the event. Which board members will make it a point to talk to which people? How long should the event go on before the presentation? What is the presentation and who will make it?

Note: It's important to bring people to tears – so get an effective speaker who can speak compellingly about your mission.

Most likely this is purely a cultivation event, so if you make an ask at all, it should be a soft ask.

Some would say the most important thing to consider when organizing an event like this is not to skimp on the refreshments. People like a good party, so make the food (and drinks) great. They don't need to be expensive to be festive.

And lastly, make sure to thank every person who came, even though they may not have given a gift. They took the time to come to the party and listen to your pitch – that's worthy of a thank-you. Board members should call the guests to see if they have questions or would like more information.

17. Practice the speech

The entire cultivation process hinges on board members' being informed about the nonprofit.

This means it's a good idea to incorporate mini-training sessions about the nonprofit's industry into every meeting. That ensures board members have the knowledge necessary to make informed decisions on the nonprofit's behalf.

Moreover, every board member needs to write and practice an elevator speech. The exact words can be tailored to suit individual board members' style, but the message needs to accurately, clearly and compellingly explain the nonprofit's mission in a way that conforms to the nonprofit's brand.

The speech should be short (hence the term "elevator speech") and end in such a way as to invite the listener to ask questions or request more information.

It's best if board members memorize the speech – and then practice it so it sounds completely natural and extemporaneous, never canned.

Board members can practice on each other in a scheduled session after a meeting or practice delivering it in front of the entire board.

Making the ask

Cultivation really is the lion's share of the fundraising process, and one that board members should be able to participate in enthusiastically.

Eventually, though, it does come time to ask for a donation.

This is what intimidates and even strikes fear in the heart of many board members, but it doesn't have to be this way.

Even the ask itself can be sliced and diced in ways that will be palatable to board members. Training, practice and the right tools will ease the process, too.

Some fundraising pros say an ask should never take place unless the solicitor is virtually certain the answer will be yes. That is, the cultivation process should extend long enough so that the donor is primed and waiting to be asked.

It can help board members to understand that they won't be stepping into this part of the fundraising process before that point – and that if they're involved in the cultivation process, it's a perfectly natural and even expected thing for them to make the ask.

Here are four ways board members can support the solicitation process itself:

18. Speak with passion

People are naturally curious, and what's more interesting than finding out what prompted someone else to make a large gift?

During the cultivation and solicitation phases of fundraising, board members should develop the habit of talking openly about their passion for the organization and how it motivated them to make their own gifts.

Then, when they accompany a staffer or another board member on an ask visit, it'll feel natural to them to start the conversation with this topic.

19. Invite your friends

One of the easiest ways to ask for a donation is to invite friends to an event, such as a gala, that involves buying a ticket.

The best way to do this is to handwrite a little note on the paper invitation, saying you hope the person can come. Before that, a nice touch is to place a call or send an email giving a heads-up, such as "Hey, Bob, I just wanted to let you know XYZ organization. is having a fantastic event next month, and I really hope you can come. I'm putting the invitation in the mail tomorrow."

Make sure you check back in with your intended guests after a week or so goes by, "Hey, Bob, I wanted to follow up the invitation I sent. Do you think you can come to the event?" Then supply additional details likely to capture the attention of the potential donor. The key is to ask for what you want – in this case, for the person to buy a ticket to the event.

All along the way, you'll want to remember: You're not lining your own pocket, you're helping build the financial security of an organization whose mission you care passionately about.

20. Tell exciting stories

During the ask process, as with the cultivation process, board members should draft, practice – and, yes, memorize – stories designed to capture the imagination of and elicit an emotional response from prospective donors.

Some groups hold storytelling contests for this purpose. Staff and board members send in their stories – to say the marketing department – and those who contributed the best stories get small prizes.

Stories may come from staff or clients who come to board meetings to talk about their history with the organization.

21. Go on an ask visit and make the ask

Board members can't avoid it altogether – each and every one should commit to going on a certain number of ask visits every year (a handful or a dozen, but not too many as to be overwhelming in terms of either time or effort). This commitment should be given in writing as a response to the fundraising menu of options.

The best approach is to go with a senior staff person. In fact, at the beginning, a board member may simply want to accompany that person and largely remain silent.

Then, after doing that a few times, the trustee may start to feel comfortable speaking up and sharing his or her own story.

The main thing is most people don't love doing this – but the urgency and importance of the organization's mission requires it. That is the thing to keep in mind at all times.

Board members should never go unarmed into an ask meeting.

Ideally, they should already know the prospective donor. They should be that prospect's peer and must have already made a gift themselves. They should have background about the cultivation process. They should know the person's interests and history of giving to the organization. Someone should have done enough research so there's an amount for the ask that's based on previous contributions.

The solicitation call should be tightly scripted, with each person present knowing what role to play. The two people making the call should practice their script, if they haven't done it previously.

When board members do go on ask calls, their efforts should be rewarded. One way to do this is with a little friendly competition during meetings. Board members who've asked for and closed specific gifts can announce this at a meeting. Their efforts should be acknowledged by the board or fundraising chair and by staff. Or small groups, even pairs, of board members can form teams that have a more formal competition for who makes the most ask visits, who closes the biggest gifts, etc.

In addition, the board can celebrate the start and the close of specific campaigns – remember, everyone likes to have a good time.

About PBP Executive Reports

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