

# Your Board Members *Can* Generate Revenue!

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## Synopsis

This white paper covers the challenges that all organizations face as they try to get their board members to take more responsibility for fundraising. The importance of board participation, tips and ideas for gaining board members' participation, and a range of suggestions for long term culture changes will be covered. With both a philosophical perspective from the 30,000 feet to a practical list of hands-on solutions, this research document spells out how and why board members must be engaged in fundraising for the organizations they support.

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## **1. Why Board Members Must Fundraise**

The powerful role of the leadership in any nonprofit cannot be overlooked or underestimated, any more than you would ignore the influence of the CEO, COO, or other “C” suite and board members in the corporate world.

The culture of most nonprofit organizations and for profit companies begins with the “tone at the top.” The reality is that the spoken and unspoken messages, evidence of their support or lack of interest, from the leaders have an impact on everything that occurs at all levels throughout the organization.

Leadership in a nonprofit organization starts with the board members and they represent the group’s most important resources. Beyond being recognized as champions and advocates for the organization’s mission and vision, they are the ones who have agreed to ensure that the goals are met and the objectives are achieved.

It is, after all, a major commitment and an awesome responsibility to serve on a nonprofit board. It is not a decision to be taken lightly or entered into frivolously. Those board members who agree to serve on a board in order to promote themselves or their business, or who accept the role without anticipating the efforts that are required, or - even worse - who have no real passion for the cause, will probably not succeed and over time they will be a disappointment to themselves and to the organization.

Sometimes, Executive Directors or other board members are so eager to attract someone to the board, they downplay the role. They encourage people to join who they believe will add value, but they diminish the expectations during the recruiting process in a misguided attempt to make it more attractive to the prospect. Once this is done, though, the new board member is blindsided when it becomes obvious that there is more to the position than was originally explained. The fundraising aspect is often softened or avoided, but in the end, the success of fundraising campaigns hinges on leadership, and that leadership starts with the board.

So when an organization embraces an aggressive, structured fundraising process, the community, especially current and prospective donors, looks first to see how the board members react. When board members are lackluster or noncommittal, their attitude can lead to a negative response from others. When, on the other hand, the board is deeply engaged and sincerely dedicated to raising funds (beginning with their own financial support) their positive energy can, and will, motivate other volunteers and donors.

With more than 85% of all fund raising dollars generated through individual gifts, it is clear that relationships play a key role in any fundraising process. Board members have the capability to bring their network of connections to the organization, which are essential to accomplishing the organization's fundraising efforts. While large donations from major corporate sponsors are always appreciated it is, in fact, the personal donations from individuals who have been approached and asked to help that comprise the greatest percentage of the organization's incoming funds.

It is therefore critical that board members are comfortable with their leadership status and that they understand the fiscal accountability they have to the organization. After all, if the board members do not invest in the work of the organization, who else will? This includes a willingness to engage in fundraising and "friend" raising activities - both of which are vital to the organization.

## 2. Barriers to Board Member Participation

Most people who join a board do so after first being involved as a volunteer, or committee member, or even chair of a committee. They often become engaged, and remain committed, because of a deep belief in the values and goals of the organization.

So why is fundraising a problem? If they care about the organization, why do they balk at helping to raise the funds that are so important to its survival?

To begin with, when board members are recruited by an organization, their responsibilities should be carefully explained, including their involvement in fundraising initiatives. If you require or expect 100% participation, or specific dollar donation amounts, or creating a give-or-get situation, you need to spell that out in detail. Perhaps to do this most effectively, you can present a board member “promise” or “expectation form” that they can review and sign prior to officially joining the board. When this is not done or they are not alerted nor educated, they have no advance warning and may become very reluctant to help out or exert their influence in this area.

Once they understand the full scope of their role, other challenges can arise that prevent board members from being comfortable as fundraisers.

Studies indicate that one of the main reasons that board members feel so uncomfortable about fundraising is that they simply feel uneasy asking for money. As Dennis Miller, long time consultant to the nonprofit sector often comments, “Board members are queasy about the ‘tin cup’ approach to revenue generation. They don’t want to be seen as ‘begging,’ especially if they are asking close friends, business colleagues or clients and vendors for support.”

A second obstacle that frequently stands in the way of board members’ fund raising success is that they are not prepared to assume a meaningful part in the fundraising procedure. They cannot be thrown into the middle of the process without an orientation that includes training on how to cultivate a prospect, as well as how to develop and then leverage a strong relationship over time, ultimately learning to ask for a donation.

Executive Directors and Development Directors may make an assumption that board members, because of their passion, can “sell” the mission - when in fact they need hands on training and follow up to accomplish this important task. Rarely is fundraising successfully accomplished based on nothing more than the good intentions of the board members.

Thirdly, board members may not have enough information about the organization's mission, vision and programs nor are they informed of specific fundraising objectives and goals. Helping board members learn to ask donors for support is not enough. To do this well, you need to start at the beginning, with good training and implementation tactics, even though it is tempting to go to end stage, which involves asking for support.

Lastly, as Vicki Bixel, President and CEO of Semple Bixel, reminded us in her presentation in September 2012, every board member has different skills, a different approach and a different perspective. This means the Executive Director and other leaders must learn to leverage each person's distinctive capabilities to achieve the best fundraising and friend raising results.

Instead, you need to promote the organization's entire fundraising strategy and integrate it fully into the organization's culture in order to get the board members completely engaged.

### **3. Suggestions and Tips for Engaging the Board in Fundraising**

For those nonprofits that do not yet have 100% of their board partaking in fundraising efforts, here are some suggestions that can help you jump start the process:

1. If board members are going to be asked to raise money, say so right from the initial contact with a recruit. Do not gloss over their responsibilities out of fear that they will turn down the position. Avoiding surprises by being up front and honest can go a long way toward building a fundraising focused board for the future.
2. Building and maintaining the board members or trustees personal connection to the organization makes it much easier for them to promote the group when they are called on to do so. Start by inspiring them. Remind them how critical the organization's mission is. Reinforce their emotional connection by regularly introducing them to some of the constituents who rely on your services, programs or products. Include information about the organization and its recent successes as part of every board meeting.
3. Create a fund raising blueprint and share it with the board. Let them know the organization's financial goals, short and long term, and then share the plan you have for attaining those goals.
4. Start with fewer expectations. Instead of demanding every board member immediately become a fundraiser, give them the chance to get involved by performing other, less threatening tasks. Ask them to join the development committee, help identify new targets, rate prospective donors who appear in the database, invite guests to future programs, act as a host at a small event in their home or at another location, make follow up calls to people who have reached out with questions or attended events in the past, or even introduce their friends or colleagues to others such as the Executive Director or Development Director in the organization who can use a soft-sell approach in a low pressure manner to present the organization to these new contacts. In all these ways, the board members can begin to get their feet wet, become more familiar with the organization and, at the same time, become accustomed to the fundraiser role.
5. With a knowledgeable and passionate board committed to fundraising, the next step is to provide the adequate training they need on cultivation and relationship development, including assigning a seasoned mentor to some of the less experienced, new board members.

Workshop settings are especially practical because the board members can be given practical tips on networking and they can use role play to practice how to become a more effective networker as well as how to strengthen the relationship and finally, how to make an effective solicitation. Any training should be conducted in an informal, pleasant atmosphere where everyone has the opportunity to practice and experiment delivering their 'pitch' in a nonthreatening and safe atmosphere. Lessons learned can include how to network and build relationships on behalf of the organization, how to be a better listener, how to ask interesting questions that help uncover the prospect's appetite for the organization's mission, how to be more flexible regarding the donor's needs, how to restrain from asking for a small gift out of fear of having a larger request rejected, and how to know when to talk and when to stop!

Part of the continuous training process can be to include an anecdote from a successful fundraiser at each board meeting, to further encourage those who are struggling and to provide insights and best practices suggestions they can incorporate into their own activities.

6. With a fired up, well-trained board, your organization's fundraising can reach new heights. As the process continues to grow and expand, the last element that must never be taken for granted is a show of sincere appreciation. Each and every donor wants to be acknowledged. They know their financial support has been invested in a mission they believe in, but their efforts must be publically announced, whether on your website, in printed materials, at events, or in other thoughtful ways. This of course does not replace the personal, hand written or typed thank you note and a phone call when possible. Board members must understand the importance of this final step - and they must make time to say thank you.

These tips can be changed and adapted based on your organization's culture, needs and mission, but the bottom line is that you cannot build a fundraising board without recruiting the right people, getting them excited about the mission, keeping them engaged by creating a powerful atmosphere of success, providing them with meaningful work at the committee and board level, and offering on-going inspiration, support, and training so that they can succeed as fundraisers.



## 4. Case Study of a Successful Organization: Independent College Fund of New Jersey



In a recent interview conducted as part of the research for this white paper, Gerald (Gerry) Bellotti, Vice President Independent College Fund of New Jersey, generously shared some critical insights regarding how to get and keep board members engaged – and how to help them become advocates and fundraisers for your organization.

### Background on ICFNJ

The Independent College Fund of New Jersey (ICFNJ) has fostered a cooperative effort between business and academic leaders who recognize the important role the independent higher education sector plays in growing New Jersey's economy since its inception in 1953.

To carry out the important mission of the organization, ICFNJ secures financial support for 14 member institutions (independent colleges and universities), including Bloomfield College, Caldwell College, Centenary College, College of Saint Elizabeth, Drew University, Fairleigh Dickinson University, Felician College, Georgian Court University, Monmouth University, Princeton University, Rider University, Saint Peter's University, Seton Hall University and Stevens Institute of Technology.

### **The ICFNJ Mission**

*The Independent College Fund empowers deserving students to realize their goals by strengthening New Jersey's independent colleges and universities with support for strategic investments in programs, scholarships and education. The Independent College Fund of New Jersey partners with the corporate and philanthropic communities to support its 14 member institutions*

### **The ICFNJ Vision**

*-To serve as an essential advocate in promoting wider understanding of and support for independent higher education in New Jersey through the cultivation and maintenance of relationships with members of the corporate and foundation communities.*

*-To emphasize unrestricted giving while presenting corporate donors with opportunities to make "business compatible contributions." To identify and monitor trends in corporate philanthropy and recommend to our Board appropriate actions to benefit from these realities on behalf of independent higher education.*

*-To provide opportunities for our member college and universities to enhance quality, access and affordability and fulfill their respective missions.*

The mission and vision of ICFNJ are more than mere words - they are statements that represent a sincere commitment to the community. It is a tall order, but one that Gerry Bellotti takes very seriously.

“Trustees and other donors don’t care how smart you are, or how much you know, until you show them how much you *care*.” This is the guiding principle that Gerry and the leadership staff at the organization embrace every day.

In a very practical way, what this means for them is that before they ask their Board to become involved in donor development, they set the stage by teaching them about the organization itself. Gerry knows he must build energy, passion and commitment among the board members so that they can, and will, be champions of ICFNJ’s message and purpose in the community.

The first thing that the ICFNJ staff focuses on when educating their board of trustees is to inspire and enlighten them. To accomplish this the ICFNJ staff has established an orientation process for all new trustees, hosted by the current trustees. A President of one of the 14 independent colleges or universities that they support is always present, speaking to them and sharing insights regarding the impact that their scholarships make on the students, the institution and the community.

Secondly, to help them convert their passion into action, the ICFNJ staff provides a supportive culture, professional tools and hands-on training that leads to achieving their goals. Also their website includes a private section devoted to the Board of Trustees members with various questions to ask donors and other information to help them be more effective.

To keep the culture strong, ICFNJ provides a monthly e-newsletter that is distributed to the Trustees and the Presidents so they stay closely connected to each other and to the organization. In addition, Gerry uses the annual golf outing, sporting events that include tickets to popular athletic venues (and access to suites and guests where college presidents and other high ranking faculty frequently make an appearance), the holiday cocktail reception, invitations to special events like an upcoming program at Drew University featuring Tom Brokaw, and even individual and small group meetings to interact with the Trustees on a personal level, educating and empowering them. They also host an annual meeting such as the one coming up on October 31<sup>st</sup> “College Matters,” with the National Association of Independent Colleges, that add further inspiration and information.

Along with the personal communication, frequent interfacing and much encouragement, at ICFNJ they have also invested time and effort into creating a formal Board Guide that provides all the data the Trustees need to understand expectations, fulfill obligations and be aware of their responsibilities.

As the Trustees grow more comfortable with their role in promoting the organization's mission and vision, Gerry gives them the resources they need to become better at donor development. Their first lesson is the foundation of all future discussions: "this is a relationship building process," he reminds them all over and over again.

In other words, to cultivate one new donor, they need to create a powerful connection that compels action. Through ICFNJ, the Board has access to many networking opportunities and they are continually exposed to success stories through the details from other Trustees, students, Presidents and ICFNJ staff. This helps them as they are building and cementing their relationships.

So when you are speaking with your board and you are looking for ways to help them build meaningful relationships, remember that donor cultivation starts at the top with the Executive Director or Director of Development (or both). You need to not only empower the board, but you need to help them become familiar and comfortable with the organization's history, mission and vision; provide success stories and the impact of the organization; and finally, deliver the tools and training to help them learn how and when to make a successful 'ask.'

## 5. Conclusion

Nothing is more frustrating to an energetic and enthusiastic board member than having high fundraising expectations that cannot be met for lack of information, education and resources. It is the Executive Director, the Board Chair and other senior leaders who bear the burden for ensuring the board has the right mind set, experiences and tools to get the job done!

Those nonprofits that want to attract and retain driven board members who are excited to act as advocates for the cause know that they need to stoke that fire, continuously reinforce the good will and amazing accomplishments of the organization in the community they serve, and give board members the tools to connect the dots between being engaged themselves and engaging others.

*This not an easy task.*

To sustain the loyalty of board members and help them be prepared to help the group, they need the opportunity to add value, have an influence, and provide more than rubberstamp approval. This only occurs when board meeting agendas include the chance to participate in a meaningful discussion, the chance to volunteer for projects that make a difference in the community, the chance to talk about their experiences and what they have accomplished, and the chance to take part in planning future events and programs that are distinctive and unique.

**The formula for success is at your fingertips – embrace it!**

## 6. Citations

Some of the information and data provided in this white paper was sourced and researched, in part, at the following websites or blogs:

Nine Ways Board Members Can Raise Money Without Fundraising – Nell Edgington, President, Social Velocity.

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[www.Guidestar.org](http://www.Guidestar.org): Five Fundraising Mistakes We Make with Our Boards.

[www.raise-funds.com](http://www.raise-funds.com): How Board Members Can Become Effective Fundraisers.

[www.Guidestar.com](http://www.Guidestar.com): No-Ask Fundraising: Six High Impact Jobs for Board Members.

[www.gailperry.com](http://www.gailperry.com): The Fired Up Board: Preparing Your Board Members for Fundraising.

[www.nonprofit.about.com/fundraising](http://www.nonprofit.about.com/fundraising): How to Get Your Board to Step Up to the Plate in Fundraising by Joanne Fritz.

Special thank you to Dennis Miller, nonprofit consultant, strategist, speaker and author. [www.dcmillerassociates.com](http://www.dcmillerassociates.com)

## **7. About the Authors**

### **Bridget Hartnett, CPA**

Bridget Hartnett, CPA, a member of the Firm at Sobel & Co., has more than fifteen years of experience in public accounting, which she draws on to provide high level services for clients.

### **Experience in the Nonprofit Niche**

Bridget spends most of her time working closely with clients in the social services and nonprofit areas, including educational institutions. As a member in the firm's Nonprofit and Social Services Group, Bridget supervises the audit engagements conducted by Sobel & Co. for the Cerebral Palsy Association of Middlesex County, the Youth Development Clinic of Newark and Catholic Charities of the Trenton, Metuchen and Newark dioceses, Freedom House, and C.J. Foundation. In addition, she handles all of the firm's education audits and holds a Public School Auditor's license. Bridget is also responsible for reviewing and overseeing the preparation of nonprofit tax returns.

### **Philanthropic and Social Service Commitment**

Bridget carries her commitment to social services beyond the work place to include her personal involvement in several areas, such as at St. Benedict's school in Holmdel where she is always available for volunteering for projects and special events as needed as well as giving her resources and time to various children's charities, such as the New Jersey Chapter of Make-A-Wish and others. She is also a volunteer with professional business groups in the New Jersey community, including Monmouth Ocean County Nonprofit Committee and the Western Monmouth Chamber of Commerce where she is Treasurer and helped to found the successful Young Professionals' Group and currently serves as Co-Chair and founder of their newly formed Nonprofit Committee. Bridget is also an active member of the New Jersey CPA Society's Nonprofit Interest Group.

### **Professional Credentials**

As a licensed Certified Public Accountant in New Jersey, Bridget is a member of both the American Institute of Certified Public Accountants (AICPA) and the New Jersey Society of Certified Public Accountants (NJSCPA).

### **Educational Background**

Bridget graduated with her Bachelor of Science degree from Montclair State University.

## Ron Matan, CPA, CGMA

Ron Matan is the Member in Charge of Sobel & Co.'s Nonprofit and Social Services Group. Ron, brings a unique blend of public accounting and business acumen to every client engagement. A key member of Sobel & Co.'s Leadership Team since joining the firm in 1997, Ron works primarily with non-profit organizations, including United States Department of Housing and Urban Development ("HUD") projects, A-133 engagements, and low income housing tax credit programs ("LIHTC").

### Experience in the Nonprofit Niche

As member in charge of the firm's Nonprofit and Social Services Group (A-133 and HUD audits and LIHTC programs), Ron is responsible for the firm-wide quality of this practice area and is the firm liaison for the AICPA's Government (Nonprofit) Audit Quality Center. With over 35 years of experience in public and private industry and accounting experience with all types of nonprofit and social service organizations, Ron brings a unique blend of knowledge and insight to these specialized engagements. Ron is a Certified Tax Credit Compliance Professional and is listed in the Guide which is circulated to all State Agencies Allocating Tax Credits as well as the Internal Revenue Service. He has also taken courses in advanced training for peer reviews and performs peer reviews of other accounting firms.

### Philanthropic and Social Service Commitment

Ron is a member of the Board of Directors of the Neighborhood Health Services Corporation, headquartered in Plainfield, New Jersey, where he serves as Treasurer and Chairman of the Finance and Audit Committees. Ron also serves on the Union County Educational Services Foundation Board. Ron was the former Treasurer and Board Member of Kids Peace Treatment Centers for emotionally disturbed children, located in Bethlehem, Pennsylvania.

### Professional Credentials

Ron is a Certified Public Accountant licensed to practice in New Jersey, New York and Pennsylvania. He is a member of the American Institute of Certified Public Accountants and the New Jersey Society of Certified Public Accountants (NJSCPA). Ron has been elected to PKF North America's Nonprofit Committee, and in June 2004, Ron was appointed to the New Jersey Society of Certified Public Accountants Peer Review Executive Committee. Ron is also a member of the NJSCPA's Nonprofit Interest Group.

Ron is responsible for the firm-wide quality of the Nonprofit and Social Services practice area and is the firm liaison for the AICPA's Government (Nonprofit) Audit Quality Center. With over 30 years of experience in public accounting and private industry experience with all types of nonprofit and social service organizations, Ron brings a unique blend of experience and insight to these specialized engagements. Ron is a Certified Tax Credit Compliance Professional and is listed in the Guide which is circulated to all State Agencies Allocating Tax Credits as well as the Internal Revenue Service. He also has taken courses in advanced training for peer reviews and performs peer reviews of other accounting firms.

#### Educational Background

Ron is a graduate of Kings College in Wilkes-Barre, Pennsylvania, where he received a Bachelor of Science Degree in Accounting.



## 8. About Sobel & Co.

Sobel & Co. is a regional accounting and consulting firm located in Livingston, New Jersey that has been providing nonprofit and social service organizations in the New Jersey/New York metropolitan area with audit, accounting, tax and advisory services since its inception in 1956.

The firm is distinctive in its approach to the nonprofit community because of its sincere passion for serving this sector. As it says on the Sobel & Co. website, “We work with the nonprofit sector because we feel good helping those who do good; we have a passion for helping nonprofit organizations achieve their mission of helping the world's most vulnerable.”

The firm currently works with more than 185 nonprofit organizations with revenues ranging from \$100,000 to over \$65,000,000. Based on this depth of experience, the professionals in the nonprofit group are keenly familiar with the issues facing nonprofits and they will apply this knowledge to bring added value to every engagement.

As a further demonstration of the firm’s commitment to the nonprofit community, several complimentary programs are offered throughout the year. These include quarterly webinars, roundtable discussions and an annual symposium on timely and relevant topics.

We also encourage you to visit our website at [www.sobel-cpa.com](http://www.sobel-cpa.com) and click on the Not-For-Profit niche page. Once there, please browse our resource library where you will find published white papers along with a variety of articles. We provide a Desk Reference Manual for Nonprofits, a Survey of Nonprofit Organizations that contains interesting insights on nonprofits, a wide range of tools and benchmarking data, a monthly e-mail newsletter that offers relevant information to organizations like yours and links to other key sites that are valuable for the nonprofit community.

