Building a Culture of Philanthropy
Customized for the 2018 CAPLAW Training Conference

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INTRODUCTION

A culture of philanthropy or fundraising is something that should be deeply infused within your organization at every level—from volunteers, to program staff, to executive leadership to the board of directors. This session will explore what a culture of philanthropy is, provide tips for building a stronger culture within your organization, and provide activities to do with your staff and board to develop this. Additionally, this session will dive deep to discuss how and why the board of directors must be engaged in fundraising/development.

Session Objectives

Learning Objective 1
Understand what it means to cultivate and maintain a culture of philanthropy

Learning Objective 2
Understand the board’s role in fundraising and how to engage your board in fundraising

Learning Objective 3
Understand how a culture of philanthropy should lead to a culture of stewardship and appreciation

Your Objectives

1. ____________________________________________________________

2. ____________________________________________________________

3. ____________________________________________________________
ABOUT JOINING VISION AND ACTION

Joining Vision and Action (JVA) is a team of individuals relentlessly focused on bringing research and innovation to the efforts of those focused on community and social change. We help you get results by joining vision and action.

We bring a lens of implementation science\(^1\) focused on the following areas: community assessment and market research, strategy development, planning, organizational development and change management, financing, recruitment, communication, marketing, evaluation.

We bring our strengths and skills in community engagement, research, facilitation, writing, story telling, organizational development and change management, policy, strategy development, communication, evaluation, marketing, traditional and social media, fundraising and business models—for profit and nonprofit—to help you turn your ideas for a better future from vision to action.

ABOUT YOUR TRAINER

Sarah Hidey is the co-managing director and director of resource of development at JVA, where she manages a team of consultants and works with JVA clients to access funding—helping build their capacity for increased social and community change. Sarah has been working in the social change sector for 14 years, providing program development and management, grantwriting, facilitation, and strategic and social enterprise planning for nonprofits and government agencies both internationally and in the United States. Sarah can be reached at sarah@joiningvisionandaction.com.

\(^1\) By implementation science, we mean a study of the methods to integrate research findings into the daily work of individuals and organizations focused on community and social change.
JVA Resources

Our team at JVA is voracious when it comes to keeping on top of news in the sector—and we have lots of ways to help you stay on top of things, too. Check out the following free resources that we provide to help you do your job better.

Website

JVA’s website offers a wealth of information and links to resources; it’s also where you can sign up for our e-newsletter and more.

http://joiningvisionandaction.com

Blogs

JVA’s staff members maintain this blog, keeping you current with everything happening in the sector. The blog features news in the sector, analysis of key trends and commentary on what’s going on.

http://joiningvisionandaction.com/blog

e-newsletter

JVA 411 is our free weekly e-newsletter that covers funding, news and tips. To sign up, go to http://joiningvisionandaction.com and click on Sign Up for JVA411 on the bottom of the page.

Social Media

Always interested in keeping connected and leveraging the power of networks, JVA is actively engaged in social networking. Connect with us at:

https://www.facebook.com/jvas411

https://twitter.com/JVAs411
CREATING A CULTURE OF PHILANTHROPY

A study by CompassPoint and the Evelyn and Walter Haas, Jr. Fund\(^2\) identified the following attributes of an organization that has a culture of philanthropy or fundraising:

- People throughout the organization act as ambassadors and build relationships.
- Everyone can articulate the case for giving.
- Fundraising is viewed as a mission-aligned program of the organization.
- There are systems in place to support donors.
- The executive director is committed and involved.

Additionally, JVA has identified through its client work the following attributes of boards in organizations with a culture of fundraising:

- There is a clear strategic direction for the organization that fundraising supports.
- Fundraising expectations are outlined at the outset.
- There are formalized board agreements that detail commitments.
- Formal accountability processes are in place.
- Board members are able to use their strengths to participate in all cycles of fundraising.

Organizations that truly embrace a culture of fundraising are few and far between. At JVA, we realize that development directors can be linchpins in organizational change, using their communications and influencing skills to engage people throughout the organization in developing a culture of fundraising.

Here are some suggestions for creating the culture you want:

1. Communicate what you do and its impact on the work effectively

   - **Cultivate an empowered, engaged and creative team** by keeping them informed of what your organization is aiming to accomplish, the timeline, their role in making that happen and the impact if you succeed. Especially when communicating to board members, work with your executive director to share this information often and be explicit about what you’ve been doing. In particular, you’ll want to regularly update board members about your mission-oriented goals and accomplishments.

   - **Find out what excites your team and use that information wisely.** Dig deeper into the unique interests and expertise of your board members or staff. Meet with them. Ask for their advice. Use online social media tools to follow them and learn more about what they care about. Make use of what you learned by developing ways to fully utilize these talents, special skills and connections at your organization. Make sure that your board and staff members feel that they have an important purpose for being a part of the team.

   - **Keep your team engaged by providing meaningful and fulfilling experiences.** Lastly, with a keen sense of what makes your team members tick and what helps them utilize their talents fully, develop ways to keep them interested and engaged by providing meaningful and fulfilling experiences. Remind the team at every opportunity the work they are accomplishing—such as sharing a letter from a client or service recipient, or a story about the impact of your organization.

2. Help to build the organizational culture you want

Recent research by Google\(^3\) sheds light on the key to group effectiveness: psychological safety. This is characterized as groups whose members feel safe to be themselves, take risks, speak up, etc. in comfort. The presence of psychological safety is demonstrated by two behaviors: first, members

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speaking equally; second, high “average social sensitivity,” which means members are skilled in intuiting the feelings of others. Consider the ways in which you can ensure psychological safety in your various teams.

Other tips:

- Build the environment you want by clearly and consistently communicating your vision of an organization with a fundraising culture. Organizational culture is a complex and ever-changing system based on shared meanings and beliefs that hold a group of people together.

- Putting organizational culture into practice: Practice what you preach; reinforce new and positive behaviors; use consistency and repetition.

Your turn:

What unique experiences can you provide your board members?

What unique experiences can you provide your staff or volunteers?

Think of ways that staff at your organization could participate that would give them an opportunity to help communicate the impact of the work.

What is your organizational culture right now? What are the values and beliefs around fundraising? What are some examples? Be specific.
What can you do to ensure psychological safety in your various teams?

What key strategies will you use to build and reinforce your desired culture?

What do you want to influence others in your organization to do to create a culture of fundraising?

How will people respond to this cultural shift? How can you address concerns or apathy?

Everyone is responsible for successful financing

We’re hiring an executive director/director of development/major gifts person. … So he or she is responsible for fundraising, right? — Board member of Every Organization, USA

Repeat this mantra: Fundraising is everyone’s business. Recall the first truth about fundraising—it’s not about the money, it’s about the mission. And everyone involved with your organization has a vested interest in making sure that your organization has the resources that it needs to fulfill its mission. This cannot be the sole responsibility of one individual or even one department—it’s simply too important. Each and every person involved with an organization has a role to play in fundraising.
ROLES: THE EXECUTIVE DIRECTOR AND FUNDRAISING

The executive director plays an important role in fundraising as the “face” of the organization and as the primary liaison with the board. The executive director is responsible for infusing a culture of fundraising in the organization. He or she must communicate the vision and impact of the organization, internally and externally. The executive director must ensure that the board and staff have the tools they need to be successful.

The executive director’s other responsibilities for fundraising include:

- **Fund Development Planning:** The executive director should ensure that fund development planning with key stakeholders occurs in conjunction with annual budgeting.

- **Fundraising Policies and Procedures:** The executive director must ensure that staff, board and volunteers are aware of existing policies and that operational processes and procedures are in place to support adherence to policies.

- **Fundraising:** The executive director must participate in fundraising. The executive director should focus on relationship building, cultivation, solicitation and stewardship, while delegating operational functions to staff and volunteers. This position is also often asked to make presentations and represent the organization in public settings, both of which contribute to fundraising.

- **Accountability:** The executive director, in partnership with a board development champion, holds board members accountable for their fundraising efforts. Key steps to setting the stage for board accountability are board involvement in fund development planning and board member agreements that include participation in fundraising as a board member expectation (see more in a few pages). The executive director also plays a critical role in setting the tone for the entire staff: that financing the organization is everyone’s business.
ROLES: THE BOARD AND FUNDRAISING

The fiduciary responsibility for your organization ultimately resides with the board of directors. Consequently, board members must be aware of and agree to contribute to the overall financial health of your organization in the following ways:

- **Fund Development Planning**: The board should provide input to and formally approve an annual fund development plan to raise revenue for each year’s operational budget.

- **Fundraising Policies**: The board should approve fundraising policies related to gift acceptance and processing, donor rights, and donor privacy and confidentiality.

- **Monetary Contributions**: Each board member must demonstrate a financial commitment to the organization at a level that is significant for him or her. One-hundred percent board giving is critical.

- **Fundraising**: The conventional wisdom is that board members should participate in fundraising to raise the revenue needed to provide your services and programs. Board members can assist with fundraising in a variety of ways, such as selling tables for special events, introducing individuals to the organization, participating in face-to-face asks, donor cultivation activities, thanking donors, etc.

Is fundraising part of board members’ roles?

*Only in organizations that are successful.*

- Part of the legal responsibilities of a nonprofit board is to “ensure adequate resources.”

- The Principles and Practices for Nonprofit Excellence in Colorado set forth the following expectations of board members: “To demonstrate their personal stake in support of the organization, board members should volunteer time, raise external funds, and make financial contributions to the nonprofit.”

- Crutchfield and McLeod, in their research on high-impact nonprofits, found that effective organizations have boards that help their nonprofits access resources either directly or indirectly, through social
networks. Board members are the groups’ “most powerful evangelists,” helping make introductions or broker critical relationships in government and business (176). 4

So why is it so hard?

Typically, organizations that experience a lack of board participation in fundraising report the following reasons:

- Board members don’t want to fundraise and/or don’t view that as part of their role.
- The organization lacks a culture of fundraising; there is not an expectation that board members will fundraise for the organization.
- Board members have limited time.
- Board members make commitments they cannot keep.
- Board members are disengaged generally.
- Board members don’t fully understand the organization and can’t effectively communicate what the organization does.
- Board members don’t know how or are afraid to fundraise.
- Board members don’t have adequate tools for fundraising.

The good news is that each of these problems can be fixed.

Every Board Needs a Development Champion

Engaging the board in fundraising may well be one of the greatest challenges faced by development staff. You can set the stage by ensuring that fundraising is an expectation of all board members, and by ensuring that the board takes ownership over the creation of an annual fund development plan. Do this by enlisting a board development champion or a development committee that is charged with furthering the fundraising efforts of the organization. Board members are uniquely positioned to hold other board members accountable for meeting their fundraising obligations. Identify a champion and provide him or her with the information needed to drive the board’s fundraising efforts from within!

JUMPSTARTING BOARD INVOLVEMENT: TOOLS FOR SUCCESS

1. Script for Conversation with Board Members
When you are re-energizing your board, it can be important to have frank conversations with existing board members to gauge their interests and ongoing commitment to serve on the board and participate in fundraising. Ideally, your executive director, along with a board champion of creating a culture of fundraising in your organization, is meeting with each board member.

Here are some questions to guide that conversation, which we suggest take place in person, maybe over coffee, after a board retreat that has been focused on organizational change.

- Of which of our accomplishments are you most proud?
- Tell me how you’re feeling about some of the new directions we’re taking.
- We talked a lot in this retreat about aligning all of our efforts toward this particular outcome [NAME OUTCOME]. I’d like to hear more about why this outcome is important to you.
- How do you see yourself being personally involved in helping us to achieve this outcome?
- In what parts of our work are you most interested in becoming involved?

2. Sample “Choose Your Own Adventure” Board Fundraising Menu
When people select things they are good at doing and like to do, these things are more likely to get done. Have board members choose fundraising activities to engage in. JVA suggests that the board discuss what its members want the organization’s fundraising menu to feature. Here are some ideas to include in your fundraising menu. Remember: All fundraising methods should support one or more fundraising strategies (acquisition, retention, upgrade, and recapture).

- Identify XX people the organization can add to its prospective donor list.
- Call XX of people to open doors for your organization.
- Ask XX for a major gift.
Accompany your organization’s staff on a major gift request.

Host a house party and recommend a specific donation amount per person and tell your friends and families that the proceeds are going to support your favorite charity. Ideas: cocktail party, dinner party with gourmet food, progressive party, etc. Make sure you, another board member or the executive director shares a short speech on your organization and passes out brochures, and then ask people to take out their checkbooks.

Have a birthday party and ask people to make a donation to your favorite charity instead of bringing you a gift; use Causes through Facebook to promote online contributions, and honor donors publicly and create excitement.

Be responsible for filling a table or selling 10 tickets to your organization’s special event.

Donate something to the organization that they can use—a copier, building materials, school supplies, etc. You can also donate a valuable item like a painting, heirloom, stock, real estate, etc.

Have a garage sale and give the proceeds to your favorite organization.

Telephone donors to say thank you (research on fundraising shows that this significantly increases subsequent gifts).

Solicit businesses for cash or in-kind donations.

Donate something of value to your organization’s silent auction or raffle.

If you own a cabin, cottage or other getaway home, rent it out a few times a year and give the proceeds to your organization.

Find out if your employer has a matching gift program. For every dollar you give to an organization, your employer will match it by a certain amount.

If you belong to a book club or other group, ask them to “adopt” your organization for a year as their favorite charity and collect $XX from each person at each meeting.

Sell products created by your organization (i.e., T-shirts, candles, etc.).
3. A Job Description that includes fundraising requirements

Don’t leave board members guessing about what to expect. Set clear expectations in job descriptions that should be shared during recruitment.

TITLE: BOARD MEMBER

FUNCTION: To guarantee ORGANIZATION’s ability to advance its mission by establishing direction, ensuring adequate resources and providing oversight, and by using my strengths and talents.

RESPONSIBILITIES:

- Remain informed of WORTHY ORGANIZATION’S mission, programs and external factors that may affect the organization
- Assess WORTHY ORGANIZATION’S direction annually in a strategic planning process that evaluates the organization’s purpose, mission, programs and overall effectiveness, and engage in ongoing generative thinking on behalf of the organization
- Assist in the selection and support of the executive director
- Serve as an ambassador and champion of WORTHY ORGANIZATION
- Ensure that WORTHY ORGANIZATION adequately handles all liability and financial risks
- Monitor the financial health of WORTHY ORGANIZATION, including level of reserves and the availability of cash to guarantee ongoing operations
- Make sure that all aspects of WORTHY ORGANIZATION operate within the full extent of the law
- Oversee WORTHY ORGANIZATION’s annual budgeting process, year-end audited financial statements and monthly expenditures
- Periodically review WORTHY ORGANIZATION’s operating policies and procedures to ensure management is following board policies
- Participate actively in board meetings, fundraising strategies and committees
- Make an annual financial contribution in an amount that is personally meaningful
- Invite others to engage with the organization
- Use my strengths and talents to advance our mission
4. Sample Board Member Agreement

I understand that as a member of the board of directors of WORTHY ORGANIZATION, I have a legal and moral responsibility to ensure that the organization does the best work possible in pursuit of its mission. I believe in the purpose and the mission of the organization, and I will act responsibly and prudently as its steward. As a board member of WORTHY ORGANIZATION, I will:

1. Promote WORTHY ORGANIZATION to the public and act as a spokesperson
2. Attend at least ___ board meetings per year
3. Participate in one or more fundraising activities per year
4. Serve on at least one committee per year
5. Act in the best interests of WORTHY ORGANIZATION and excuse myself from any discussions or activities where I have a conflict of interest
6. Make a personal financial contribution that is meaningful to me
7. Stay informed about what’s going on in the organization
8. Work in good faith with staff and other board members toward the betterment of WORTHY ORGANIZATION
9. Expect the board president to call me and discuss my responsibilities as a board member if I do not fulfill these commitments
10. Serve for a three-year term, to the extent that I am able

The board and staff of WORTHY ORGANIZATION will be responsible to me in the following ways:

1. Provide me with monthly financial statements and organizational activities that enable me to meet the Duty of Care, Loyalty and Obedience.
2. Offer me opportunities to discuss with the executive director and board president WORTHY ORGANIZATION’s programs, goals and activities. I can also request such a meeting at any time.
3. Help me perform my duties by providing information about issues in the industry in which we are serving, as well as professional development opportunities for board members.
4. Respond in a timely and straightforward fashion to questions I have regarding the fiscal, legal and moral responsibilities of WORTHY ORGANIZATION.

________________________________________________
Signed and dated: (by board member and board president)

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Reflect: What actions will I want to take when I get back to the office?
A USEFUL TOOL: MESSAGING TRIANGLE

An alternative to the standard elevator speech, the messaging triangle allows everyone involved with your organization to create his or her own tailored message.

Examples:

As a parent of a child in XX early childhood program, I believe all children deserve a fair shot to succeed. In fact, XX program for early reading intervention prepared my kid for long-term academic success. Can I count on you to support our efforts with a contribution of $25 or more?

As someone who has volunteered at an afterschool program, I’ve seen children who were so hungry that they had a hard time concentrating. In fact, studies show that hunger can interfere with academic achievement. Can I count on you to support our efforts to raise money for food banks by buying a table for our event?

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FROM AN INTERNAL CULTURE OF PHILANTHROPY TO AN EXTERNAL CULTURE OF STEWARDSHIP

Stewardship refers to the cumulative process of thanking, recognizing and communicating impact to your donors. Stewardship is what keeps retention rates high and makes upgrades possible. In the simplest of terms: It is far easier to keep a friend than to make a new one.

The Burk donor survey—an annual evaluation of donor giving and behavior, including a forecast for giving in the upcoming year—has discovered some key information on donor retention and giving:

- It matters who asks for donations or shares information.
- Some respondents would give more if asked by the right person. Many not-for-profits issue appeals from someone in the Development Office and, in doing so, rely on those with the least influence on donors to inspire their giving. Members of the board and senior staff such as deans, artistic directors or physicians are the people who can influence donors to give and, after-the-fact, whose sincere thanks goes a long way in ensuring that donors will give again the next time they are asked.
- When asked how they would prefer to learn about nonprofits that receive grants, some donors—specifically those who give to donor-advised funds—want to hear it from a board member.
- Most donors cite two or three of the following requirements for continuing to give to an organization: 1) receiving prompt and meaningful acknowledgement of their gift; 2) having their gifts assigned to a specific purpose or program; and 3) receiving a

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report with measurable information regarding what was accomplished with their donation or the funding raised.

- An overwhelming percentage of donors consistently said they would be very appreciative if a member of the board of directors called them just to say thank you within a day or two of receiving their gifts—and both individuals and corporate donors said this would influence them to give again.

- Most individual donors say they would definitely or probably give again the next time they were asked, if a charity thanked them promptly and in a personal way for their gift and followed up later with a meaningful report on the program they had funded; under these circumstances, many would give a larger gift and/or would continue to give indefinitely.

- The vast majority of donors say that attending a donor recognition event has positively influenced them to give again. This is especially effective if the event helps the donor learn first-hand what his or her gifts are achieving, and as long as it is not a costly event—donors don’t want to see their donations spent on donor appreciation.

  - A note about events: Fundraisers are important behind the scenes, but their names should not be featured on appeals, thank you letters or summary reports.

  - Most donors say that charities they support never or hardly ever call them without asking for another gift.

This feedback shows up reliably in both ongoing national research and JVA’s experience. We do, however, recommend that nonprofits keep an eye on new donor trend surveys for the most up-to-date information. Here are a few suggestions:

The Burk donor survey
http://cygresearch.com/

Blackbaud
https://institute.blackbaud.com/resources/

Giving USA
https://givingusa.org/

Guidestar
https://learn.guidestar.org/products/room40-map-of-opportunity

Most of these sites offer free (executive summary) and paid (full report) versions of their documents.
ESTABLISH A CULTURE OF APPRECIATION

As the executive director or a board member, you can help to establish a culture of appreciation within your organization. It’s good business sense to create a structure, process and policies around saying thank you to those who make your work possible. Your donors deserve your thanks, deserve to be recognized in ways that are meaningful to them and deserve to know what their donations mean in terms of impact. Simple steps include:

- Sending a personalized thank-you note within 48 hours of receiving a gift
- Having board members, volunteers or staff call to thank donors within 48 hours to a week of receiving a gift
- Using the thank-you call to learn more about a donor’s interests and connection to your organization
- Contacting your donor four times a year in different ways (newsletter, phone call, personal visit, etc.) to tell him/her about your organization’s work and the impact of his/her gift, tailoring the communication to particular area(s) of interest, if known
- Honoring your donor’s desired preference for contact (e.g., do not mail) and recognition (e.g., the Smith Family vs. Bernice Smith vs. Anonymous)
- Encouraging involvement outside of giving—volunteering, serving on a committee, providing advice on what the organization can do better, etc.

How do you take care of your donors?