FUNDRAISING COMMUNICATIONS TOOLKIT for Board Members

INTRODUCTION

The purpose of a fundraising communications toolkit for board members is to provide them with the "tools" that they need to effectively raise funds for your organization. As board members are often in a face-to-face situation where they are speaking with potential donors on behalf of the organization, this recommended toolkit focuses on providing key information about the organization to board members, often in a script format or a concise document with easily-digestible bullet points. Information of this kind needs to be provided in spoken language, not written language, so that it is easy for board members to use the information in conversation.

Although the development of the toolkit will likely be a staff-driven project, the toolkit will be much more effective if it is developed in collaboration with the board members on the development committee. The development committee can make recommendations for the table of contents, review the content that the development staff prepares, and advocate the use of the toolkit to other board members.

This toolkit should be designed to be an easy-to-use reference tool. A clear and detailed table of contents or index is essential. There should be clear headers within each section, and plenty of white space on each page. Board members may sit down and read the toolkit all at one time, but they may just as likely refer to it only when looking for a particular piece of information. Therefore, some information may be included more than once in the toolkit (for example, a "key selling point" may also show up as a talking point about the need that the organization serves).

Finally, you may want to design and develop your toolkit so that it can be easily customized for particular board members. For example, you may have one board member who is interested in raising funds for a particular program. It would be helpful to have a fact sheet about that program in that particular board member's toolkit, but it would not be necessary to have the program fact sheet in every person's toolkit. You can decide which pieces from the "core" kit to include, and then have optional sections that can be added for particular board members as needed.

TALKING POINTS ABOUT THE ORGANIZATION

(e.g., The Case for Support Written for Conversation)

This section should include talking points about the organization, which will come directly from the case for support. A written case for support is often composed in language that does not feel natural when spoken and can often be quite lengthy. This toolkit should provide board members with a script that they can use to speak concisely and clearly with someone about your organization. Even though the essence of the talking points will come from the case support, it should not be the case for support verbatim.

Possible sections within this area include are listed below:

1. The "elevator" speech: How to describe your organization in 2 minutes.
2. Why should someone give to your organization? What is the need that you are addressing?
3. What does your organization do? Provide overview of programs and services.
4. Who does your organization work with? Who are its customers and clients?

KEY SELLING POINTS OF THE ORGANIZATION

This section will include impressive facts about your organization that catch people's attention. Some aspects of the key selling points may have already been included in the talking points section above.

This section could consist of particular authority your organization has ("We provide the seal of approval for 'X.'"); impressive information about who or how many clients you serve ("We serve over 1,000,000 people annually."); any impressive awards your organization has received ("We received the 'X' award from the state."); impressive statistics about how your organization is run ("We only have five paid staff but over 500 volunteers who make all of our services possible."); or the uniqueness/indispensability of the service you provide ("We are the only shelter for battered women in the five-county region," or "We are the only museum solely devoted to children's literature in the country.").

OUTCOMES, EVALUATION, AND EFFECTIVENESS

Funders ask nonprofit leaders the following questions: "How do you define success?" and "How do you measure your efforts?" Board members must be able to answer this question confidently. Items that could be included in this section include the following:

1. Outcomes achieved by your organization, preferably in quantifiably measurable terms and as they relate to goals
2. Information about the evaluation efforts undertaken by your organization, and the results
3. Data about demand for your services
4. Data about efficiencies in your organization's operations

STORIES AND TESTIMONIALS

Recounting a personal story from a client is often the best and easiest way for a board member to talk about what your organization does. Also, board members often find testimonials personally motivating, which builds their confidence when fundraising. This section should include three or so of the best or most inspiring stories that are easy for a board member to relate. Be sure that no stories encroach upon a confidentiality agreement that the client may have with your organization.

HOW YOUR ORGANIZATION IS FINANCED

Potential donors want to know how your organization is financed. This section should include information about the sources of income for your organization, such as earned income sources, government grants, foundation or corporate grants, and individual donations. It is also helpful to include some numerical data, such as

- earned income versus donations as a percentage of budget
- administrative/overhead costs as a percentage of budget
- fundraising costs as a percentage of budget
- unrelated business income as a percentage of budget

Please note that this data does not necessarily indicate success or failure at fundraising and should not be framed in that context.

OTHER POSSIBLE SECTIONS TO INCLUDE IN THE TOOLKIT

Your organization may find it useful to include other sections in order to guide your committee members in solicitation and communication. The following list provides further possibilities, always leaving an open door for whatever works best for you:

- Fact sheets on primary programs and services
- Sponsorship opportunities
- Synopsis of a current strategic plan
- List of all funders

TIPS ON HOW TO ADDRESS THE BOARD'S #1 CHALLENGE: FUNDRAISING

It should no longer be a surprise that many nonprofit boards struggle to fulfill their fundraising responsibilities. *Leading with Intent: 2017 National Index of Nonprofit Board Practices* echoed previous years' studies in reporting that board chairs and chief executives (CEOs/executive directors) ranked fundraising as the biggest challenge area facing boards. Less than half (40 percent) of chief executives surveyed responded that their board actively participates in fundraising versus relying mostly on the chief executive and staff.

Given that the struggles with board fundraising are not new, the question becomes why boards haven't found a way to address this issue. One of the reasons may be that there is no quick-fix solution. Boards committed to improving their fundraising performance must embrace a comprehensive and ongoing approach that covers all facets of the board service cycle: recruitment and orientation, board meetings, and overall board culture.

RECRUITMENT

Leading with Intent found that

- only 67 percent of chief executives believe fundraising expectations are clearly articulated during recruitment
- only 31 percent of chief executives and 19 percent of board chairs assign a high priority to fundraising responsibilities when recruiting new members
- 72 percent of chief executives believe that board diversity is very important or important to increasing fundraising or expanding donor networks, yet the majority of board chairs and chief executives do not report demographic diversity as a high priority in board recruitment

When fundraising expectations are clearly articulated during recruitment, 52 percent of chief executives report their boards are actively engaged in the organization's fundraising efforts.

When fundraising expectations are not clearly articulated during recruitment, only 12 percent of executives report that their boards are actively engaged in fundraising efforts.

Based on this data, it is clear that boards are not using the recruitment process to their advantage. To address this, boards can

- add skills aligned with the fundraising tasks your board members are expected to complete to the skill sets you are recruiting for. Even if someone does not have direct experience asking for support, other skills, such as public speaking, pertain.
- be candid about expectations surrounding fundraising when discussing board service with board candidates. Provide them with as much information as possible, such as whether board members are required to make a personal contribution and how they will be expected to assist with fundraising efforts, helps ensure that new board members understand that fundraising is a fundamental aspect of board service.
- Define what the ideal board composition looks like in terms of diversity and then focus on finding it. For some boards, this means changing the way they identify potential candidates by moving beyond the personal networks of existing board members and considering nontraditional recruitment strategies, such as a posted board search or use of a search firm.

ORIENTATION

Leading with Intent found that boards that have a strong understanding of their roles and responsibilities are better at fundraising than boards with a weak understanding of their roles.

To ensure that your members have a strong understanding of their fundraising roles and responsibilities,

- provide new board members with a written job description and/or the board's fundraising policy. Asking new board members to sign the job description during orientation signals their intentions early on and provides a document that can be referred back to throughout their term of service.
- Incorporate fundraising training into new board member orientation. Teaching board members about the many different ways they can be involved in fundraising — hosting "friendraisers," writing thank you notes, making introductions, etc. — allows everyone to find an appropriate level of participation at which to begin their board service.

PERSONAL GIVING

One of the least time-intensive, and most impactful ways board members can participate in fundraising is by making a donation. However, only 59 percent of chief executives report in *Leading with Intent* that board members are required to make a personal contribution to the organization. BoardSource's Recommended Governance Practices suggest that all boards should strive for 100 percent board giving.

The amount of the gift is not what boards should focus on. While all board members should be encouraged to make an annual stretch gift within their means, the overall goal is for all board members to show their support of the organization through a donation. Board members who do so are able to point to their support and articulate why the cause is important to them when meeting with potential donors.

Some organizations connect fundraising to personal giving. For example, board members asked to raise $5,000 can donate all $5,000 personally, raise $5,000 from their personal connections, or do a combination of both.

Leading Practice #10:
Personal Giving
If the organization engages in fundraising, every board member should make a meaningful personal contribution according to his or her means (while not conflicting with any legal stipulations); the board should attain 100-percent board giving.

By making a personally meaningful gift, each board member demonstrates his or her commitment and trust in the organization, which also enables him or her to function as a more credible fundraiser and inspire other donors.

FUNDRAISING CULTURE

Setting clear expectations with board members is one of the best ways to reshape the board's fundraising culture. Boards that understand their responsibilities are much better equipped for success and are likely more invested in achieving fundraising goals.

However, clarifying expectations should not stop after the recruitment and orientation processes are complete. There are opportunities throughout board members' terms of service to reiterate individual responsibilities and strengthen board members' commitment to fundraising.

Board Meetings

Board meeting agendas should reflect organizational priorities. If board members never talk about fundraising, chances are they won't consider it essential to board service. Considering spending a few minutes at each board on fundraising — brainstorming new strategies in response to a challenge, discussing potential donors, or reporting on and celebrating successes.

Some boards include a "fundraising summary" in the board meeting preparation materials. The summary is anonymous but lists individual giving histories for each board member. This can be an effective way to encourage those who haven't yet contributed without calling them out individually.

Ways board members can be involved in fundraising without "making the ask"

Candidates may be scared off from board service if they think all their time will be spent cold-calling contacts to ask for money. In reality, however, there are many avenues to get involved in fundraising that board members can use to build up their skills before eventually making a direct ask. Make sure you communicate this during the recruitment process.

- Advocate for the organization by sharing its mission and why it is personally important
- Attend board training opportunities related to fundraising
- Participate in board discussions to assist in developing and evaluating the organization's fundraising strategy
- Identify and evaluate prospects
- Thank donors for their gifts
- Attend and invite guests to fundraising events, donate auction items
- Cultivate gifts by discussing organization's work and successes with colleagues, and inform the necessary individuals (board chair, development committee, etc.) about potential donors' levels of interest
- Host fundraising events
- Participate in face-to-face meetings with staff members and potential donors

Resources:

Fearless Fundraising for Nonprofit Boards, *Fundraising Responsibilities of Nonprofit Boards*, *Leading with Intent: 2017 National Index of Nonprofit Board Practices*, *The Nonprofit Policy Sampler*

3 TYPES OF FUNDRAISING CAMPAIGNS

All nonprofits are different.

...and their fundraising strategies should be too! The board and senior leadership should evaluate the organization's goals, capacity, and operating environment to determine which campaigns best fit their situation.

ANNUAL GIFTS

Purpose:
Annual giving anchors many nonprofit fundraising programs. Gifts received are unrestricted and help fund annual operations.

Primary Audience:
INDIVIDUALS

Secondary Audiences:
CORPORATIONS
FOUNDATIONS
GOVERNMENT GRANTS

Approach:
Annual gift campaigns can take a number of different approaches, depending on your organization.

Annual fund drives often focus on a specific theme (sometimes simply the nonprofit's mission), a fundraising goal, and/or participation goals for donors. Drives can be conducted through paper mailings, telephone solicitation, online, or via social media. Testimonials connected to the theme can be an effective way of connecting donors to the organization's work.

Matching gifts allow corporations to match employee gifts to specific organizations. Nonprofits can highlight matching gift programs in annual appeals and identify participating corporations they have relationships with.

Special events are often intended to attract new donors to a nonprofit. Some nonprofits have annual events, such as a golf tournament or gala dinner, while others celebrate a specific milestone such as an anniversary or the launch of a new initiative.

⚠ Special events should be approached with caution. The cost of hosting an event can often outweigh the funds raised, especially when accounting for staff time.

Board's Role:
Above all else, all board members should make a personal contribution to their organization each year. They can also participate in events or fundraising activities, encourage those in their network to support their organization, and thank donors after contributions are received.

MAJOR GIFTS

Purpose:
After a nonprofit has cultivated a strong relationship with an individual donor or organization, it may consider soliciting a larger contribution. This gift can serve different purposes depending on the donor's interest — funding tangible assets or an endowment, for example.

Primary Audiences:
INDIVIDUALS
CORPORATIONS

Secondary Audience:
FOUNDATIONS

Approach:
Major gift campaigns are usually conducted on an ongoing basis, in conjunction with an annual fund. They require considerable effort from nonprofit staff and board members in building strong, long-term relationships with key donors. Establishing a major gift program requires a methodical approach to prioritizing prospects, cultivating gifts, making respectful requests, and recognizing donations appropriately.

Capital campaigns can be used when a nonprofit needs significant funds, either for a specific project (e.g., construction or new facilities) or to keep pace with a new strategic plan. Capital campaigns require a lengthy time investment and careful planning. They should only be conducted when it has been determined other revenue sources will not be sufficient to fund the project.

Board's Role:
Board members can play a significant role in cultivating major donors. Oftentimes, board members have the connections needed to identify prospects and can assist in educating them about the organization's work and specific needs.

PLANNED GIFTS

Purpose:
Planned gifts allow donors to designate funds to eventually be received by a nonprofit through bequests, charitable trusts, gift annuities, life insurance, or other forms.

Target Audience:

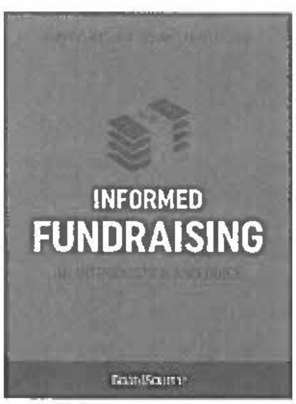
Approach:
Future planned gifts allow the donor to immediately earmark funds, but not allow the organization to receive the contribution until after the death of the donor. Most commonly, these gifts take the form of a bequest or life insurance payment.

Sophisticated current planned gifts provide for the decision and gift to be made immediately, with the funds invested and managed by the nonprofit for the donor's lifetime (or other term as described in the contract). The donor receives income by transferring a current financial asset, by contract, to a charity, with the residual principal delivered to the nonprofit organization following the donor's death.

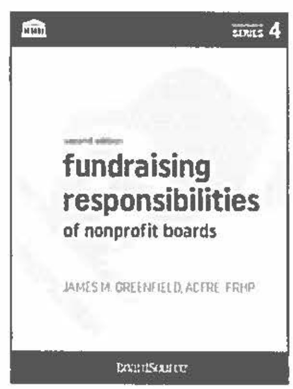
Sophisticated planned gifts require special expertise and careful attention to detail from the nonprofit. It may be helpful for a donor to solicit the services of an outside financial planner to assist in administering these types of gifts.

Board's Role:
The board must establish trusteeship policies and ensure all funds are invested according to the donor's wishes.

HELPFUL RESOURCES



Informed Fundraising: An Introduction and Guide



Fundraising Responsibilities of Nonprofit Boards, Second Edition