



RECRUITING

FUNDRAISING

DEMOGRAPHICS

PERFORMANCE

VISION

Building an Effective Board of Directors

AFP'S READY REFERENCE SERIES

THE ASSOCIATION OF FUNDRAISING PROFESSIONALS (AFP)

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AFP, an association of professionals throughout the world, advances philanthropy by enabling people and organizations to practice ethical and effective fundraising.

The core activities through which AFP fulfills this mission include education, training, mentoring, research, credentialing and advocacy.

AFP members abide by the highest ethical standards in the fundraising profession and are required to sign annually the *Code of Ethical Principles and Standards of Professional Practice*.

OUR VISION STATEMENT:

AFP will be the recognized leader in the promotion of philanthropy by empowering fundraisers to serve humankind throughout the world.



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Building an Effective Board of Directors

- ◆ **Demographics**
- ◆ **Performance**
- ◆ **Recruiting**
- ◆ **Fundraising**
- ◆ **Vision**

By Linda Lysakowski, ACFRE

AFP's Ready Reference Series
Association of Fundraising Professionals

This booklet is the fifth in AFP's Ready Reference Series for professional fundraisers.

Text by Linda Lysakowski, ACFRE.

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Assessing the Makeup and Performance of the Board

The role of the board in governing a non-profit organization cannot be overestimated. The board makes the difference between a good nonprofit and a great one, and can even make or break an organization. Boards are like parents: they need to support, encourage and inspire greatness in their “child” if the organization is to survive and thrive. What happens when the board does not understand its role or embrace it? The nonprofit becomes an “orphan,” unable to secure sufficient funding, attract committed staff and enthusiastic volunteers or reach its potential as a service provider.

Nonprofits often miss key steps at the beginning. First, they must establish a way for the board to evaluate regularly its performance, both collectively and individually. Second they need a plan for improving leadership performance so that the board becomes visionary and the organization successful.

To begin building an effective board of directors and to see where your organization is presently, first take a close look at the current board’s demographics. Using a grid like the one on the following page is a good tool for examining the demographic makeup of your board, but you can start assessing the board’s composition simply by asking a few questions:

Mapping Demographics

- **Does the board’s ethnic mix represent the community it serves?**

SAMPLE BOARD OVERVIEW

| | Board Member Names | | | | | | | | | | | | |
|-------------------------------------|-------------------------|-------------------------|-------------------------|--|--|--|--|--|--|--|--|--|--|
| | Term expires 20 ____ | Term expires 20 ____ | Term expires 20 ____ | | | | | | | | | | |
| <i>[revision date]</i> | | | | | | | | | | | | | |
| Demographics | | | | | | | | | | | | | |
| <i>Male</i> | | | | | | | | | | | | | |
| <i>Female</i> | | | | | | | | | | | | | |
| <i>21-30 years</i> | | | | | | | | | | | | | |
| <i>31-40 years</i> | | | | | | | | | | | | | |
| <i>41-50 years</i> | | | | | | | | | | | | | |
| <i>51-60 years</i> | | | | | | | | | | | | | |
| <i>61-70 years</i> | | | | | | | | | | | | | |
| <i>More than 71 years</i> | | | | | | | | | | | | | |
| Ethnicity | | | | | | | | | | | | | |
| <i>African-American</i> | | | | | | | | | | | | | |
| <i>Asian</i> | | | | | | | | | | | | | |
| <i>Caucasian</i> | | | | | | | | | | | | | |
| <i>Latino</i> | | | | | | | | | | | | | |
| <i>Other</i> | | | | | | | | | | | | | |
| Giving Potential | | | | | | | | | | | | | |
| <i>High</i> | | | | | | | | | | | | | |
| <i>Medium</i> | | | | | | | | | | | | | |
| <i>Low</i> | | | | | | | | | | | | | |
| Expertise in | | | | | | | | | | | | | |
| <i>Legal Issues</i> | | | | | | | | | | | | | |
| <i>Personnel Management</i> | | | | | | | | | | | | | |
| <i>Financial Management</i> | | | | | | | | | | | | | |
| <i>Fundraising</i> | | | | | | | | | | | | | |
| <i>Public/Community Relations</i> | | | | | | | | | | | | | |
| <i>Planning/Organizing</i> | | | | | | | | | | | | | |
| <i>Organization's Service Area</i> | | | | | | | | | | | | | |
| Influence with | | | | | | | | | | | | | |
| <i>Power Group</i> | | | | | | | | | | | | | |
| <i>Business/Financial Community</i> | | | | | | | | | | | | | |
| <i>Ethnic/Minority Groups</i> | | | | | | | | | | | | | |
| <i>Media</i> | | | | | | | | | | | | | |
| <i>Government</i> | | | | | | | | | | | | | |

Adapted from *Building a Better Board: A Guide to Effective Leadership* by Andrew Swanson, © The Taft Group, 1984, 1-800-877-TAFT.

- **Is there gender diversity, a good mix of males and females?**
- **What about age diversity—are all generations represented?**
- **Is the board geographically diverse?**
- **What other groups are important to the organization and should be represented on the board?**

An organization that does not have a board with a broad demographic mix may suffer in a number of ways. When considering grant requests, some funding sources will likely pass over a nonprofit that does not have a board that adequately reflects its community. Boards that are gender exclusive or limited in age range often lose valuable differing perspectives. Geographic diversity also is important, especially for organizations that serve a wide geographic scope or encompasses rural and urban communities. Depending on the nonprofit's mission, people with disabilities or differing religions or political views might be important in an organization's governance.

A word of caution when looking at diversity issues: people should never be invited to serve on the board *just* because they are a specific age, race or religion. An overall assessment of the board will help determine if you have any pertinent diversity gaps, but an organization should not fill vacant slots with people solely because they fit a certain demographic profile.

Having youth serve on boards is a particularly sticky issue, even for charities serving this age group. Remember that the board of directors has a fiduciary responsibility for the organization, so you should consider the legal ramifications before including on your board those who have not reached the age of majority. A youth advisory council may

ARE THEY QUALIFIED?

When aiming for diversity on your board, don't let demographics be the only factor you consider. Above all, your board members must be leadership material.

serve the purpose of getting input from youth without giving them a policy-making position on the board.

Tallying Skills and Talents

The next step is to assess the skills and talents of the board. Using the board overview grid, list the qualities of the current board. Some typical skills needed by almost every nonprofit are:

- **Legal expertise**
- **Financial management/accounting expertise**
- **Marketing skills**
- **Fundraising ability**
- **Program expertise specific to the organization**
- **Long-range planning skills**
- **Good communication skills**
- **The ability to lead**
- **The ability to govern**

In addition, it will be helpful to have people on the board with connections such as:

- **Access to foundations, corporations and individual philanthropists**
- **Media contacts**
- **Political contacts**
- **Contacts with professional and service organizations**

BOARD CLOUT

When recruiting new board members, go beyond making a list of skills needed for organizational tasks. Board members should not only lend their expertise but give entree into areas of influence for fundraising and marketing possibilities.

SAMPLE BOARD MEMBER PROFILE

Name _____ Term Expires _____

Home Address _____

Employer _____

Title _____

Business Address _____

Business Phone _____

Email Address _____

Preferred Mailing Address Home Business

Personal Information:

Birthday (M/D) _____ Spouse _____

Children _____

Professional Affiliations: _____

Community Activities - other nonprofit boards and committees:

Other Interests: _____

Committee Preference

Development Program Finance Planning

Board Resource Special Events Marketing Other

Please attach background information or résumé, if available and B&W photograph, (résumé preferred).

Please return to:

Before recruiting people to serve on the board, an organization needs to have a résumé and a profile sheet completed by each potential board member. The profile sheet should include their contacts and areas of influence, such as professional clubs and community activities. (See previous page for the sample board member profile.)

Is Your Board Doing Its Job?

While most boards recognize that one of their responsibilities is to do an annual review of the organization's CEO, they often overlook an equally critical duty: evaluating their own performance. This annual task can easily be overseen by either the executive committee or the board resources or governance committee. (The function of the board resources or governance committee is covered in the next chapter.)

First, all board members will be asked to evaluate themselves and their peers individually and then assess the performance of the board as a whole. Then, the committee overseeing the task should hold a special meeting with the executive director to review the evaluations. This final review could be held in conjunction with the annual executive committee meeting, perhaps the evening before the board's annual retreat. Results could be shared the next day with the entire board.

Some forms for evaluating board performance are found in the appendices. Organizations can use any or all of these forms to help assess board performance as a whole and performance of individual members. It is important to look at both aspects before identifying potential new board members.

A CLOSER LOOK AT YOUR BOARD MEMBERS

To get a clear picture of how your board as a whole is functioning, you need to look closely at the members. An honest evaluation of your individual board directors is needed to understand how well the group is leading your nonprofit organization. Some questions board members should ask themselves include:

■ *Do I attend meetings regularly and participate in discussion at these meetings?*

■ *Am I informed about the mission and vision of the organization and do I support this mission and vision?*

■ *Do I contribute my time and money to this organization to the best of my ability?*

■ *Do I serve on committees and task forces when invited?*

■ *Do I encourage others to support this organization and serve as a spokesperson when asked?*

Identifying and Recruiting Board Members

Who Recruits? The Board Resources Committee

One of the best pieces of advice for any nonprofit to follow is to get rid of its nominating committee. For most organizations, the nominating committee has two primary functions: to fill vacant board seats and to elect officers of the board. But the nominating committee frequently is an ad hoc committee appointed by the president or chair just a few months before terms are due to expire. Often by the time the committee is appointed, most board members are busy with other committees, and the nominating task falls to someone who has not been involved in other board work and may not be aware of the strengths, weaknesses and needs of the board.

Instead of a nominating committee, one recommended approach is to have an ongoing board resources committee. This committee, sometimes called the governance committee or the committee on directorship, should have the following traits:

- **It should meet year round;**
- **It needs to be chaired by the strongest person on the board and comprised of only board members;**
- **Its duties include doing an assessment of board performance—collectively and individually;**
- **It is responsible for developing or refining board position descriptions;**
- **It evaluates the needs of the board and**

develops a profile of the kinds of people that are needed to fill vacancies;

- **It works with the board to help find the right people to fill board positions;**
- **It ensures diversity on the board;**
- **It implements, along with the organization's senior staff members, board orientation;**
- **It is responsible for ongoing education of the board.**

Perhaps the most important committee of all, the board resources committee should not be treated as an afterthought.

Once in place, the board resources committee should first complete the board grid (see page 2), analyzing strengths and weaknesses of the current board. Using the grid, the committee should organize board members according to classes (the year their terms expire) and mark diversity indicators, such as ethnicity, gender and geographic location. Skills, talents and areas of special expertise also should be listed, along with giving ability and contacts with various groups such as media, funders and government agencies. Once this grid is complete, the committee can then determine where gaps lie in board diversity, skills and abilities. A profile of skills, qualities and demographics can then be developed for recruiting new board members.

It is important that the board resources committee meets on a year-round basis and evaluates problem issues that arise with the board or individual directors. Ongoing board education is also a responsibility of this committee and can greatly improve the board's effectiveness. For example, in a human service agency, this committee might arrange for case workers to make presentations at a board meeting. Or the curator of fine arts might

ONGOING DEVELOPMENT

Board development needs to be a year-round activity for boards—and their organizations—to achieve the greatest effectiveness.

provide seminars for museum board members. The board resources committee should evaluate the need for board education and work with the executive director to provide the appropriate educational segments at board meetings or retreats.

A board resources committee, working thoughtfully, diligently and regularly can make all the difference between an effective, enthusiastic and inspired board and a lackadaisical board that does not understand its role in advancing an organization's mission.

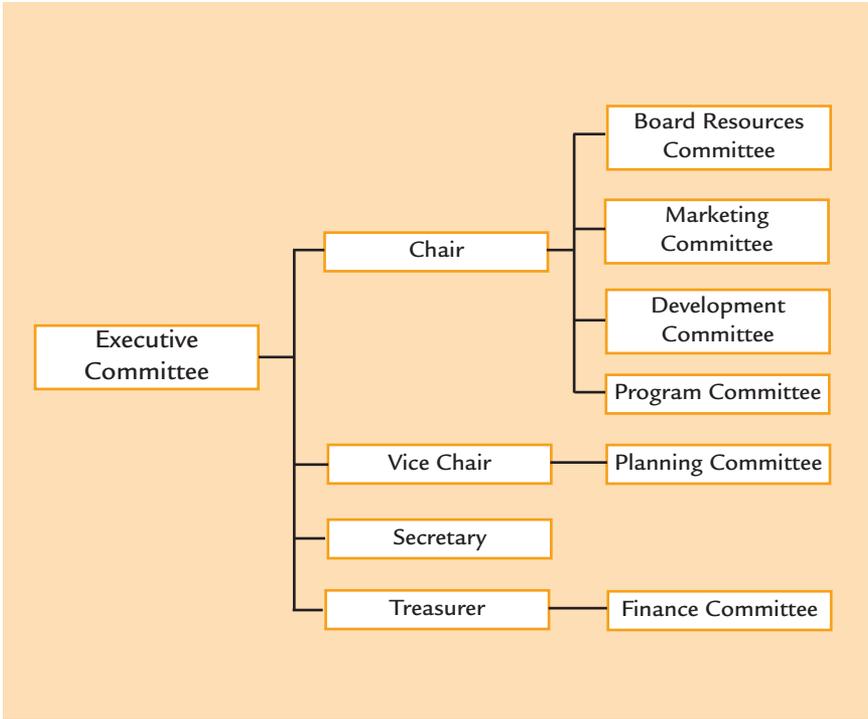
**Thinking Ahead:
Cultivating
Committees**

Cultivating strong board committees is a valuable resource for developing leadership within the organization. With the exception of the board resources committee, which oversees internal issues, committees should be composed of both board and non-board members. Many organizations have successfully turned a weak, ineffective board into a skilled and committed one over time by recruiting excellent committee members as future directors.

While committee structures will vary from organization to organization, there are some standard committees that every nonprofit should have on its board. In addition to the board resources committee, at the very least a small organization should have an executive committee, a finance committee, and a program committee. Other important committees include fundraising/development, public relations, and strategic planning.

The executive committee generally consists of all the officers of the board; sometimes chairs of standing committees are included. The executive committee is often given power from the full board to make important decisions between board meetings. This committee is usually responsible for evaluating the executive director and, in the absence of a planning committee, may also initiate strategic planning. In smaller organizations this committee may fill several other roles

SAMPLE BOARD ORGANIZATIONAL CHART



such as personnel, finance and audit committees.

The finance committee oversees all budgetary issues. This committee also usually engages the auditors for the organization and reviews the annual audit before it goes to the full board. It is important to have several people on the finance committee who understand financial statements and can help with investments.

Program committee functions will vary depending on the organization, with some non-profits having multiple committees overseeing various programs. This committee(s) will work with program staff to develop new program opportunities, monitor program performance and suggest improvements.

COMMITTED TO COMMITTEES

Most nonprofits accomplish their leadership work through board-appointed committees, made up of a combination of board members and other volunteers. The committees that every organization should have in place include:

- Board resource committee
- Development committee (fundraising)
- Executive committee
- Finance committee
- Program committee(s)
- Public relations committee
- Strategic planning committee (may be an ad hoc committee)

The needs of a particular organization will determine the names and functions of committees and what additional committees are required. For example, an organization that has a large staff may have a personnel committee, while nonprofits that have a wide range of programming may have several program committees. In smaller organizations, sometimes the executive committee handles the planning and finance functions. Nonprofits with complicated financial structures may have a separate budget committee and an audit committee.

In addition to providing a resource of future board directors, involving non-board members in committee work gives the organization new talent and contacts it may be lacking on the board. The one committee that particularly benefits from non-board volunteers is the development committee, which is covered in the next chapter. When fundraising time comes, the organization will have opened up a realm of contacts through its non-board volunteers beyond those of current directors.

To find the best committee volunteers, first assess a committee's needs and then ask your board and staff for suggestions. A great resource for leads is any civic leadership program your town may sponsor to train mid-level managers for community service leadership. Local chambers of

YOUR FUTURE DIRECTORS

Committee work is an excellent proving ground for future board members. Serving on committees gives volunteers a chance to “try out” an organization to see if they want to become more involved. It also gives the organization an opportunity to see which volunteers are committed, enthusiastic and skilled in the areas needed on the board. Often committee members can move into board positions after demonstrating their commitment and skills to the organization. They will also be familiar enough with the “corporate personality” to know if serving on the board will be a good fit for them.

commerce are also a good source for volunteer committee members. Many communities also have a volunteer center that may be able to help match volunteers with nonprofit organizations.

Before recruiting anyone for a board or committee position, position descriptions must be in place. People will want to see in writing what is expected of them before they make a commitment. This is an important task for the board resources committee and should be completed before any recruiting is done.

The position description should include a statement of the purpose of the board, board term limits, roles and responsibilities, and a requirement to sign a conflict of interest statement. A sample board position description can be found on the next page. Additional position descriptions are available from the Association of Fundraising Professionals (AFP) Resource Center (phone (800) 688-FIND or email resctr@afpnet.org.)

After the board assessment is completed, the board resources committee submits the results to the full board and asks for suggestions of potential directors. Names and résumés are given to the board resources committee for consideration. Individual

The Board Position Description

Recruiting New Directors

SAMPLE BOARD POSITION DESCRIPTION

Purpose: *To act as a voting member of the board with full authority and responsibility to develop policies for the operation of the organization; to monitor the organization's financial health, programs and overall performance; and to provide the chief executive officer the resources needed to serve the organization's constituencies.*

The Full Board's Responsibilities:

- *Establish policy*
- *Hire and evaluate the executive director*
- *Secure adequate funding for the organization*
- *Monitor finances*
- *Create and update a long-range plan for the organization*
- *Select and support the organization's board officers*
- *Adopt key operating policies; approve contracts as appropriate*

Individual Board Member's Duties:

- *Attend board meetings regularly*
- *Become knowledgeable about the organization*
- *Come to board meetings prepared and informed about agenda issues*
- *Contribute to meetings by expressing a point of view*
- *Consider other points of view, make constructive suggestions and help the board make decisions that benefit the organization's constituencies*
- *Serve on at least one committee*
- *Represent the organization to individuals, the public and other organizations in a positive and professional manner*
- *Support the organization through attendance at special events and activities and through meaningful financial contributions*
- *Assume board leadership roles when asked*
- *Keep the executive director informed of relevant community concerns*
- *Maintain confidentiality of board discussion*

Rationale: *Board members set corporate policies and goals and delegate authority to the executive director to implement such policies and goals in the day-to-day management of the organization. Individual members of the board, however, have no authority to act independently of the full board on policy issues. Board members who abuse their position this way may be disciplined or censured.*

Board members are also trustees of the organization who approve an annual budget that ensures it can meet its financial needs. In addition, board members monitor the overall financial health of their organization by reviewing annual reports of an auditor recommended by the executive director. The executive director retains responsibility for day-to-day operational expenditures.

Individual board members should attend all board meetings and actively participate in them and serve on committees and/or as board officers. Board members have the responsibility to know and fulfill their role in the organization and to act in the best interest of its constituencies.

board members should *never* recruit new board directors on their own nor assume those they nominate or interview will automatically be asked to serve on the board. Inviting candidates to serve is the job of the board resources committee.

Matching résumés to board needs, the board resources committee compiles a “short list” of potential candidates. This recruiting list is then resubmitted to the full board for approval before any official recruiting is done in case a director has relevant information about any of the candidates that would affect the nomination either positively or negatively.

When meeting with board candidates, the committee should give the potential directors a board recruitment packet. This packet should include the position description for board members, along with pertinent information about the organization—the bylaws, a list of board members, a list of board meeting dates, the budget, the strategic plan, conflict of interest statement, brochures, program descriptions and so forth. This packet should be given early in the recruiting process, not at board orientation, so the prospective board member can make an informed decision about serving on the board.

PACKET PUNCH

Just as your brochures, website and advertising markets your organization, so does your board recruitment packet. Not only should the packet inform a candidate of the facts of your organization, but it should do so in a winning style, conveying the nonprofit’s values and personality.

When the board resources committee interviews the prospective board members, the executive director should participate in these meetings. The interview should include an overview of the board position description and expectations of the organization. The candidate also should be asked to share his or her own expectations, interest in the organization and understanding of board requirements. These interviews should clar-

ify if the candidates are really committed to being good board members or if they only have their own interests in mind.

Once the board resources committee has narrowed down the list to a firm slate of candidates, final recommendations are submitted to the full board for approval. After the board elects the new board members, the committee invites them to join the board and attend the next board meeting. The committee is also responsible for providing orientation for new board members. Additionally, the board resources committee submits recommendations for board officers to the full board for election. And, the same thoughtful process that goes into recruiting new board members should go into the board officer selection.

A BOARD NO-NO

Inviting someone to serve on the board is the sole responsibility of the board resources committee. While other board members might be involved in recruiting, they should leave the final analysis to the committee.

Board Orientation

When new board members are brought into the organization, it is important to hold board orientation for the new “class” of board members. Staff and board will plan the orientation for these new board members. While the new board member will already be very familiar with the organization through the recruitment process, any additional information can be given during orientation.

For your orientation, you might include a tour of facilities or a “virtual tour” of programs, both of which are good ways to help new board members understand a nonprofit’s mission and programs. A more senior member of the board, usually the board chair, can then talk about the vision of the organization, where it is headed and how the board is involved in creating, refining and fulfilling the mission.

Development staff and senior program staff should attend new board member orientation and give a brief explanation of their work. If there is a chief financial officer in the organization, that

person should participate in the orientation to explain budgets and financial statements.

Another effective way to ensure involvement of new board members is to assign them a mentor—a more senior board member who will be responsible for reminding them of meetings, getting them involved in committee work and answering any questions they may have about the work of the board. All board members should be assigned

to a committee or task force as soon as they are brought onto the board. More members leave boards because they feel unneeded than those who leave because they are asked to do too much. Set boundaries for the number of hours board members are expected to give. This is often outlined in the position description so the new board members will know before agreeing to serve on the board how much of a time commitment is involved.

Board orientation is also a good time for the new board members to get to know each other. Time should be allotted for introductions at the orientation and at the first meeting of the full board attended by new board members.

MORE THAN A FORMALITY

By the end of orientation, your new board members should feel a part of the organization and begin to own the mission. Don't miss the chance to get them involved immediately—have them sign up for committees and projects at orientation.

Involving the Board in Fundraising

The Development Committee

The development committee leads the board's fundraising program. This committee, staffed by the senior development officer, will develop the long-range plan and annual work plan for the development program; assist with the process of identifying, cultivating and soliciting donors; and lead the board's giving program. Having a plan approved by the development committee will assure that the board will not get sidetracked with events and activities extraneous to the plan.

Often the development committee is divided into subcommittees such as special events, planned giving, annual giving and board appeal. If the organization covers a large geographic area, it may be wise to have regional development committees that work independently and meet together once or twice a year to share ideas and ensure that each is working within the unified development plan.

Sometimes, if there is not a separate committee to fill this role, the development committee also manages the public relations function. Public relations is closely tied to development and the committees should have a close working relationship if they are separate.

Like board members, the members of the development committee should be carefully selected and given a full description of expectations before they agree to serve on the committee. Time commitments and a requirement to support the organization financially should be part of this and other committee position descriptions.

Finding members for the development committee and other committees is often easier than finding board members because there are many people who may not be ready to accept the fiduciary responsibility of a board member but want to get involved with the organization. (see the previous chapter for more information about using the committee structure to identify potential board members.)

DEVELOPMENT COMMITTEE TASKS

- *Work with appropriate staff to develop a long-range and short-range development plan.*
- *Plan and oversee all fundraising activities of the organization.*
- *Contribute financially to the organization and ensure full board participation in all campaigns and projects.*
- *Identify and recruit leadership and volunteers for development activities.*
- *Educate the full board on the theory and techniques of development programs.*
- *Encourage the participation of all board members in fundraising activities and programs.*
- *Attend all fundraising events and encourage board members' attendance.*
- *Work with or assume the duties of the public relations committee.*

For a good resource for potential development committee members, turn to bankers, financial planners, attorneys and entrepreneurs. Look for people who have served on boards or development committees of other organizations.

Recruiting development professionals from other institutions, providing the organizations are not direct competitors, may be helpful. Be aware, however, that in general this development professional may not be able to help you actively

solicit donors because it could be a conflict of interest, but could be helpful in planning, writing, identifying donors, or with other fundraising tasks. For example, a development officer from a university may be a good person to add to the development committee for a human service agency, whose programs and donors will most likely be very different than those of an educational institution.

Gather, Get Ready and Grow

The motto “Give, Get or Get Off!” has been traditional wisdom for board giving, but a new model that you may want to consider is “Gather, Get Ready and Grow.” Using the Gather, Get Ready and Grow model, any board can be a fundraising board.

- **Gather—the first step is to bring the board to consensus that fundraising is a board responsibility.**
- **Get Ready—the next step is to prepare the board for fundraising.**
- **Grow—the last step is the board then implementing the development plan, then watching donors and contributions grow.**

Board giving should always be a requirement for any nonprofit. If the board does not support the organization financially, the staff will have difficulty convincing potential donors to support it, and it will be impossible for board members to ask for others to give. Many funders require 100 percent board giving before considering a request for funding from an organization. For many smaller nonprofits, the board may not be filled with people of affluence, but the size of their gifts is not always what matters. The factors funders often consider are that 1) 100 percent of the board has made a financial commitment and 2) each board member has made a meaningful gift.

As is often said, board giving requires equal

sacrifice, not equal giving. For this reason, your board position description should not list a specific amount for an annual board gift. Two problems arise with requiring a specified amount. For example, an organization might suggest an annual gift of 1,000 per board member. The first problem the nonprofit may face is that such a gift would rule out some wonderful board members; not everyone may be able to contribute \$1,000 a year to the organization. The second issue is that the nonprofit has unwittingly limited giving from its board. Some directors may well afford to give far more than \$1,000 a year, but will tend to give the minimum amount and no more since that is what you have said the organization needed.

A basic starting point is getting board consensus that fundraising is a priority. If one or several persons on the board understand the board's fundraising role, they should be the core of the fundraising or development committee. If nobody on the board understands that fundraising is a priority for the organization, you may need to bring in an outside consultant or a board member from another nonprofit to help educate the board on its development responsibilities.

For some organizations with dysfunctional boards, this education process may take several years and require a complete turnover of board members. However, even if accepting development responsibility happens gradually, it will be worth it to the organization. Those boards that are active in fundraising become visionary and can lead a nonprofit to its next level.

Once the board accepts responsibility for fundraising, the next step is to have board members put their money where their heart is. The annual board appeal should be the first fundraising activity of the fiscal year. Before asking anyone else to support the organization, the board needs

Vision for Fundraising and the Board Appeal

to show its full commitment. The board appeal is conducted much the same as any other fundraising appeal.

- **Recruit a solicitation team from the board—usually the board chair and the development committee.**
- **The solicitation team evaluates each board member’s past giving and giving potential.**
- **Assign an ask amount and a solicitor to each board member.**
- **Using this initial evaluation, the team, together with the board, sets a board appeal goal.**
- **The board chair writes a letter to each director, stressing the goal of 100 percent giving.**
- **Finally, as with any major donor, the ask is made in person so that every board member understands the importance of this appeal.**

Cultivating Donors

Once the board appeal is complete, it is time to prepare the board for talking to others about supporting the organization. If the charity already has a pool of donors, this external fundraising will be a little easier. If not, the first step is to do some brainstorming about potential donors. Many organizations ask their board members to submit a list of ten or fifteen people they think would support the organization; however, few ever complete this task. Instead, schedule a brainstorming session and provide tools to help spark ideas of potential donors. Give them a form such as on page 24 to help generate donor leads.

If you don’t have such a donor list already, then the names provided by the board will be your starting point for prospects. If you already have a

pool of donors or prospects, so much the better. The names generated by the board can be added to your internal list.

Regardless of the source of the names, some research will be needed to refine this list into a true prospect list. A staff person should review or “massage” the list, making sure there are no duplicates and adding any new information the organization may have about prospects. Some of the data you will want to track are:

- **past giving history to the organization**
- **known gifts to other organizations in the community**
- **personal interest shown in programs or projects**
- **estimate of giving ability.**

Then the board will review this list and further refine it, adding any other information they know, including whether or not they know the prospect, would be comfortable asking for a donation, or who they would recommend from the board to make a request.

Once your list is complete, have board members select five donors whom they will ask for a contribution. It is important not to ask board members to “bite off more than they can chew.”

Five fundraising calls are about all most people can manage at a given time. Once those five calls are completed, then they can select new names. Also some people feel more comfortable calling on strangers than acquaintances, so this preference should be honored. However, an adage of successful fundraising is that “people give to people,” so explain to your board members that their chances of success are better when calling prospects they know.

FRIEND-RAISING

Statistics show that fundraisers asking people they know for a donation generates more gifts than making cold calls.

POTENTIAL DONOR LIST

| Your Name _____ | | | |
|----------------------------------------------------|--------------|-----------------------|----------------|
| category | name/address | major gift potential? | I will contact |
| <i>Accountant</i> | | | |
| <i>Bankers</i> | | | |
| <i>Attorneys</i> | | | |
| <i>Members of my professional association</i> | | | |
| <i>Insurance agent</i> | | | |
| <i>Doctors</i> | | | |
| <i>Dentist</i> | | | |
| <i>Car dealer</i> | | | |
| <i>Members of my service club</i> | | | |
| <i>Neighbors</i> | | | |
| <i>Relatives</i> | | | |
| <i>Clients/customers</i> | | | |
| <i>Politicians</i> | | | |
| <i>Fellow worshipers</i> | | | |
| <i>Co-workers/colleagues</i> | | | |
| <i>Fellow alumni</i> | | | |
| <i>Parents of my children's friends</i> | | | |
| <i>Realtor</i> | | | |
| <i>Athletic club members</i> | | | |
| <i>People who support other charities</i> | | | |
| <i>People who've asked me to support a charity</i> | | | |
| <i>Volunteers of nonprofits</i> | | | |
| <i>Others</i> | | | |
| | | | |
| | | | |

The final step in preparing the board to do fundraising is to train them in fundraising theory and techniques. Again, a consultant can be brought in for training, or a director or staff member from an organization successful in fundraising can inspire with their most effective strategies. Other resources that are available are books, tapes, videos and workshops in solicitation techniques. Board members, even if they have been involved in fundraising for other organizations, need to be given materials specific to your charity to be successful. Being equipped with the right training and written materials, such as brochures, fact sheets and pledge cards, combined with a compelling case for support, will help take the fear out of fundraising for your board and other fundraising volunteers.

Building an Even Better Board

Casting a Vision

Before the board can be successful at fundraising, or even at governing the organization, the members must buy into the mission of the organization and be fully committed to it. The board is responsible for developing, reviewing, refining, and adjusting (if necessary) the mission statement of the organization.

Boards should periodically go through a full strategic planning process in which the mission, vision and values will be reviewed (or developed if they are not already in place).

The strategic planning process can be an energizing and exciting one, or it can be a chore if not done properly. Having an outside facilitator to guide the organization through strategic planning can ease this process, enabling the board members and key staff to participate fully without being concerned about running the meetings. An ad hoc committee should be appointed to select the facilitator, establish a timeline and develop a list of desired outcomes. This committee will work with the facilitator to conduct the needed background research, schedule a planning session and other meetings that may be needed, and ensure involvement of all the key staff and board members.

Involving both board and staff in the planning process is critical. The board will not approve a plan in which they have not provided input. Likewise, it will be almost impossible to get staff to implement a plan if they have not been involved in its development.

Board Retreats

A board retreat should be scheduled annually. A board needs time together outside of a routine board meeting to plan new ventures, reflect on successes and failures and develop strategies for the future. A retreat is often the culmination or the beginning of the strategic planning process.

Scheduling a day-long or a weekend retreat will give the board an opportunity to spend some time socializing as well as working. It is best to get away from the organization's facility to minimize interruptions, and if possible try to select a location with a relaxing or educational atmosphere—a museum, an environmental center or a resort.

All board members and key staff should be expected to participate in the annual retreat. Scheduling the retreat with sufficient advance notice will help ensure full participation. If an annual retreat is part of the board expectations, it should be listed on the board position description and discussed with new board members.

Using an outside facilitator to lead your retreat can be beneficial, bringing in fresh ideas and expertise, or featuring a motivational speaker at the opening session can help energize a board to think in a new direction. If the budget does not permit hiring a paid consultant, a less expensive facilitator might be available from the United Way or a local college or university. Or, an executive director or board member from another non-profit organization is another possibility. Sometimes local businesses may offer the services of one of their executives for nonprofit strategy meetings or retreats.

Regular business should not be conducted at the retreat. Rather this time should be used to discuss larger, strategic issues such as vision-casting, developing a mission or values statement, building the case for support or examining new

program opportunities. Opening the retreat with an icebreaker exercise is a good way to warm up board members and get them talking among themselves.

While there are no official votes or minutes taken at a retreat, you should record important decisions for follow-up. Soon after the retreat, a written report with action steps to be taken should be sent to everyone who participated in the retreat and those unable to attend.

Role Play: Who Does What?

For an organization to be effective, the board needs to know what its responsibilities are in governing and leading, and how these differ from the staff's duties in managing. The organization will suffer if the board members try to micro-manage the organization. The following list shows some typical roles of board and staff and what roles are done jointly.

GOVERN OR MANAGE?

| <i>Activity</i> | <i>Party</i> |
|---------------------------------------------------------------------------|--------------|
| PLANNING: | |
| <i>Direct the process of planning</i> | <i>Staff</i> |
| <i>Provide input to long-range goals</i> | <i>Joint</i> |
| <i>Approve long-range goals</i> | <i>Board</i> |
| <i>Formulate annual objectives</i> | <i>Staff</i> |
| <i>Approve annual objectives</i> | <i>Board</i> |
| <i>Prepare performance reports on achievement of goals and objectives</i> | <i>Staff</i> |
| <i>Monitor achievement of goals and objectives</i> | <i>Joint</i> |
| PROGRAMMING: | |
| <i>Assess stakeholder needs (constituency)</i> | <i>Joint</i> |
| <i>Train volunteer leaders</i> | <i>Joint</i> |
| <i>Oversee evaluation of products, services and programs</i> | <i>Joint</i> |
| <i>Maintain program records; prepare reports</i> | <i>Staff</i> |

GOVERN OR MANAGE?

| <i>Activity</i> | <i>Party</i> |
|--------------------------------------------------------------------------------|--------------|
| FUNDRAISING AND FINANCE: | |
| <i>Prepare preliminary budget</i> | <i>Staff</i> |
| <i>Finalize and approve budget</i> | <i>Board</i> |
| <i>Ensure that expenditures are within budget</i> | <i>Staff</i> |
| <i>Solicit contributions in fundraising campaigns</i> | <i>Board</i> |
| <i>Organize fundraising campaigns</i> | <i>Joint</i> |
| <i>Approve expenditures outside authorized budget</i> | <i>Board</i> |
| <i>Ensure annual audit of organization accounts</i> | <i>Board</i> |
| PERSONNEL: | |
| <i>Employ chief executive</i> | <i>Board</i> |
| <i>Direct work of the staff</i> | <i>Staff</i> |
| <i>Hire and discharge staff members</i> | <i>Staff</i> |
| <i>Make decisions to add staff</i> | <i>Board</i> |
| <i>Settle discord among staff</i> | <i>Staff</i> |
| COMMUNITY RELATIONS: | |
| <i>Interpret organization to community</i> | <i>Board</i> |
| <i>Write news stories</i> | <i>Staff</i> |
| <i>Serve as liaison to other organizations</i> | <i>Joint</i> |
| BOARD COMMITTEES: | |
| <i>Appoint committee members</i> | <i>Board</i> |
| <i>Call committee chairs to urge them into action</i> | <i>Board</i> |
| <i>Promote attendance at board/committee meetings</i> | <i>Joint</i> |
| <i>Recruit new board members</i> | <i>Board</i> |
| <i>Plan agenda for board meetings</i> | <i>Joint</i> |
| <i>Take minutes at board meetings</i> | <i>Staff</i> |
| <i>Plan and propose committee organization</i> | <i>Joint</i> |
| <i>Prepare exhibits, material and proposals for board and committees</i> | <i>Staff</i> |
| <i>Sign legal documents</i> | <i>Board</i> |
| <i>Follow up to ensure implementation of board and committee decisions</i> | <i>Staff</i> |
| <i>Settle clashes between committees</i> | <i>Board</i> |

Conflict of Interest Your organization also should have a conflict-of-interest policy for the board. While many organizations feel these issues are understood, policies need to be documented.

Having a written policy does not mean the organization cannot do business with any board members or companies for which board members works. Basically a conflict of interest policy should state that the board members list any potential or perceived conflicts of interest they might have, that they submit bids for any work along with other competing businesses, and that they remove themselves from voting on items in which they may have a conflict of interest.

SAMPLE CONFLICT OF INTEREST POLICY

The standard of behavior at the XYZ Organization is that all staff, volunteers, and board members scrupulously avoid conflicts of interest between the interests of the XYZ Organization on one hand, and personal, professional, and business interests on the other. This includes avoiding potential and actual conflicts of interest, as well as perceptions of conflicts of interest.

I understand that the purposes of this policy are to protect the integrity of the XYZ Organization's decision-making process, to enable our constituencies to have confidence in our integrity, and to protect the integrity and reputations of volunteers, staff and board members. Upon or before election, hiring or appointment, I will make a full, written disclosure of interests, relationships, and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

In the course of meetings or activities, I will disclose any interests in a transaction or decision where I (including my business or other nonprofit affiliations), my family and/or my significant other, employer, or close associates will receive a benefit or gain. After disclosure, I understand that I will be asked to leave the room for the discussion and will not be permitted to vote on the question.

I understand that this policy is meant to supplement good judgment, and I will respect its spirit as well as its wording.

Signed: _____

Date: _____

A policy on conflict of interest has three essential elements:

- **Full disclosure: Board members and staff members in decision-making roles should make known their connections with groups doing business with the organization. This information should be provided annually.**
- **Board member abstention from discussion and voting: Board members who have actual or potential conflicts of interest should not participate in discussions or vote on matters affecting transactions between the organization and the other group.**

BETTER SAFE THAN SORRY

Much of conflict of interest is in perception. When things are in the open, misunderstandings are less likely to happen, protecting the integrity of the organization and the individual.

- **Staff member abstention from decision-making: Staff members who have actual or potential conflicts should not be substantively involved in decision-making affecting such transactions.**

A sample disclosure form is on the next page.

SAMPLE DISCLOSURE STATEMENT

Please initial in the space at the end of Item A or complete Item B, whichever is appropriate, complete Item C, and sign and date the statement and return it to the board chair.

A. I am not aware of any relationship or interest or situation involving my family or myself which might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and XYZ on the other.
_____ (Initials)

B. The following are relationships, interests or situations involving me or a member of my family which I consider might result in or appear to be an actual, apparent or potential conflict of interest between such family members or myself on one hand and XYZ on the other; _____ (Initials)

For-profit corporate directorships, positions and employment with:

Nonprofit trusteeships of positions:

Memberships in the following organizations:

Contracts, business activities and investments with or in the following organizations:

Other relationships and activities:

My primary business or occupation at this time is:

I have read and understand XYZ's conflict of interest policy and agree to be bound by it. I will promptly inform the board chair of XYZ of any material change that develops in the information contained in the foregoing statement.

Type/print name:

Signature: Date:

Time to Fire a Board Director?

Although many organizations feel they can't "fire" a volunteer, there are times when a board member should be asked to leave. When evaluating the performance of its board members, the organization needs to determine if a director is a "star performer," a mediocre board member or a real problem. As mentioned before, the board evaluation is handled by a small committee, usually the executive committee or the board resources committee. And an issue

as serious as firing a director is never handled by a single individual.

Board members whose service is mediocre can sometimes be turned into star performers with the proper motivation. First, identify the problem areas and sit down with the board member to discuss these issues. This interview/review is best done by the executive director and board chair (assuming it is not the board chair who is the problem). Perhaps the board member just does not have the time to give that the organization needs, or maybe he or she has lost interest in the mission or has had personality conflicts with other board members.

Each of these areas needs to be addressed. If the board member is not committed to the mission of the organization, it is probably best for him or her to move on. If the problem is one of a time constraint, perhaps this board member would do better serving on a committee rather than on the board, particularly if the person's interest and expertise are in a specific area. If it is a matter of personality conflict, the outcome will depend on the severity of the situation.

FREE ADVICE

Don't let one rotten apple spoil the whole board—even if the apple is an important donor. Sometimes one personality can chase off gifted directors, affecting your leadership, morale and reputation. If you are wondering if your organization can survive without the one director, maybe a better question to ask is Can you survive WITH him?

If the problem is a conflict between two board members, the board chair may need to sit down with each person and see if a resolution can be reached. Boards do not always need to think and act in total harmony, but open conflict is not good for an organization's well-being, which should take priority over personal differences. Sometimes these difference can lead to positive change if handled properly.

Sometimes, however, the source of these “personality conflicts” is one person—your “500-pound gorilla.” Others may rather slip away quietly rather than create a conflict with this individual, and your board is losing great directors because of one personality. The problem director may need to be removed from the board if he/she is not willing to change. Try to identify areas for improvement, just as you would do with a paid staff person and develop a system to monitor results. And always do “exit interviews” with your departing directors, whether leaving suddenly or at the end of a term, to see what their experience has been with your board and organization.

Going to the Next Level

What should an organization do if the board is not functioning as it should? Or the organization is about to embark on a capital campaign or a planned giving program and the board is not ready for the new initiative?

Some ways to take the board to a higher level of performance include:

- **Reviewing and rotating committee assignments.** Often people are pegged into certain slots on the board because of their work experience. For example, a banker is almost always asked to serve on the finance committee—but perhaps this person really loves working with children or has an artistic interest, and they may prefer working on a program committee in a human service agency or a collections committee of a museum. Also, don’t take your board members and their expertise for granted. For instance, an attorney should not be expected to handle all the organization’s legal issues gratis.
- **Continuing education for board members.** Keep your board members motivated and involved by offering at your board meetings program presentations by staff members and

seminars on leadership training, strategic planning and ethical decision-making by consultants. Remember that board members want to get as well as give to the organization. Some organizations provide leadership training that offers continuing education credit for board members.

■ **Recognition.** Board members, like other volunteers, desire and deserve to be recognized for their work. Departing directors should be given meaningful tokens of appreciation. Board members should be recognized at events and in publications. And of course, saying thank you goes a long way.

■ **Involving board members in cultivation events.** Some ideas for further involving your board of directors are having them invite their friends to learn about the organization through a tour of the facility, asking them to host fundraising events, or suggesting they conduct a “Thank-A-Thon” in which they call major donors to thank them for their gifts without asking for money. Cultivation events like these are ways to inspire a greater level of interest with your directors and bring others into the organization. These type of events allow board members to see first-hand how their contacts in the community can help the organization grow. Every board member has a sphere of influence in the community—often they just need to know how that connection might benefit the organization.

Finally, to recap how to make sure your board is functioning well, follow these steps:

■ **Evaluate the demographics and the skills of the current board**

■ **Determine how many and what categories of board members are needed to provide the right mix on the board**

- **Evaluate committee structure of the board and create new committees if needed or abolish extraneous ones**
- **Evaluate effectiveness of board meetings and restructure if necessary**
- **Determine if some board members should be asked to leave the board—and do it**
- **Identify potential board members whose profiles fit needed skills on the board**
- **Develop a board recruitment packet, including board position description**
- **Recruit new board members as needed**
- **Develop a board education program**
- **Conduct an annual board appeal**
- **Involve the board in fundraising through donor screening sessions and solicitation strategies**
- **Involve the board in cultivation and stewardship activities**
- **Involve the board in the strategic planning process**
- **Conduct an annual board retreat**
- **Recognize the board for its contributions to the organization**

By following these steps, your organization can build an enthusiastic and committed board that can take your charity to a higher level of performance. If the board functions properly, represents the charity well to the community and is involved in fundraising efforts, the organization will grow.

Appendix A:

BOARD OF DIRECTORS SELF-EVALUATION

How well the board is fulfilling its role and responsibilities? The following self-evaluation is to be completed by each board member.

Check the column number 1 to 5 for each statement where 1 = poor and 5 = equals very good

| Consideration | 1 | 2 | 3 | 4 | 5 |
|----------------------------------------------------------------------------------------------------------------------------------|----------|----------|----------|----------|----------|
| 1. Board has full and common understanding of the roles and responsibilities of a board of directors. | | | | | |
| 2. Board members understand the organization’s mission and its programs. | | | | | |
| 3. Structure of the board, officers and committees is clear regarding individual and group roles and responsibilities. | | | | | |
| 4. Board has clear goals and actions resulting from relevant and realistic strategic planning. | | | | | |
| 5. Board attends to policy-related decisions which effectively guide operational activities. | | | | | |
| 6. Board receives regular reports on and understands finances/budgets, products/program performance and other important matters. | | | | | |
| 7. Board helps set fundraising goals and is actively involved in fundraising. | | | | | |
| 8. Board effectively represents the organization to the community. | | | | | |
| 9. Board regularly monitors and evaluates progress on important organizational matters. | | | | | |
| 10. Board has approved comprehensive volunteer and personnel policies. | | | | | |
| 11. Each member of the board appears to be involved and interested in the board’s work. | | | | | |
| 12. All necessary skills, stakeholders and diversity are represented on the board. | | | | | |

List three to five issues you would like the board to focus on next year. Please be specific.

1.

2.

3.

4.

5.

Appendix C:

BOARD FUNDRAISING ASSESSMENT

1. What percentage of board members make a meaningful financial commitment to the organization on an annual basis, either personally or through their companies?

____ 100% (10)
____ 90% (9)
____ 80% (8)
____ 70% (7)
____ 60% (6)
____ 50% (5)

____ 40% (4)
____ 30% (3)
____ 20% (2)
____ 10% (1)
____ 0% (0)

POINTS _____

2. What percentage of the board has made a planned gift to the organization?

____ 100% (10)
____ 90% (9)
____ 80% (8)
____ 70% (7)
____ 60% (6)
____ 50% (5)

____ 40% (4)
____ 30% (3)
____ 20% (2)
____ 10% (1)
____ 0% (0)

POINTS _____

3. What percentage of the board made a contribution to the organization's last capital campaign (if applicable)?

____ 100% (10)
____ 90% (9)
____ 80% (8)
____ 70% (7)
____ 60% (6)
____ 50% (5)

____ 40% (4)
____ 30% (3)
____ 20% (2)
____ 10% (1)
____ 0% (0)

POINTS _____

4. What percentage of the board attends events held by the organization?

____ 100% (10)
____ 90% (9)
____ 80% (8)
____ 70% (7)
____ 60% (6)
____ 50% (5)

____ 40% (4)
____ 30% (3)
____ 20% (2)
____ 10% (1)
____ 0% (0)

POINTS _____

5. The board helps develop our long-range and annual development (fundraising) plan?

Yes, all are involved (10)

Some are involved (5)

None are involved (0)

POINTS _____

6. The board is involved in recruiting volunteer fundraisers?

Yes, all are involved (10)

Some are involved (5)

None are involved (0)

POINTS _____

7. The board helps identify potential donors to the organization?

Yes, all are involved (10)

Some are involved (5)

None are involved (0)

POINTS _____

8. The board plans and attends cultivation events regularly?

Yes, all are involved (10)

Some are involved (5)

None are involved (0)

POINTS _____

9. The board has an adequate number of people with affluence and influence in the community?

Yes, all are involved (10)

Some are involved (5)

None are involved (0)

POINTS _____

10. Board members actively promote the organization within their own spheres of influence?

Yes, all are involved (10)

Some are involved (5)

None are involved (0)

POINTS _____

TOTAL POINTS _____

Appendix D:

BOARD MEMBER INTEREST ASSESSMENT

What are your expectations as a board member? Answer the following questions to assess your interest.

1. I primarily like working with:
numbers/research content/material other agencies
people programs/services
2. I primarily like working on projects in:
administration community planning events
3. My primary medium for working is:
phone/fax books/resources email
conversation (face-to-face) teaching/presenting to a group
4. My overall goal is to help the organization:
be responsible financially develop exposure
develop programs anticipate community needs
develop resources, network, & finance
recruit volunteers
5. My other reasons for getting involved are to:
build my résumé develop professional contacts
make social contacts gain experience
use my skills make an impact in the community
gain recognition for efforts
6. I primarily like work that is:
logistical and practical creative/inventive
routine/formatted vascillating/cyclical
7. Realistically, I have this much time available for board/committee work at this organization:
per week per month
8. My current commitment to the mission of this organization on a scale of 1 (very low) to 10 (very high) is: _____

Appendix F:

GENERAL BOARD CHECKLIST

Indicators ratings: E=essential; R=recommended;
A=additional to strengthen organizational activities

| Rating | Indicator | Met | Needs Work | N/A |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|-----|
| E | 1. The roles of the board and the executive director are defined and respected, with the executive director delegated as the manager of the organization's operations and the board focused on policy and planning | | | |
| R | 2. The executive director is recruited, selected, and employed by the board of directors. The board provides clearly written expectations and qualifications for the position, as well as reasonable compensation. | | | |
| R | 3. The board of directors acts as governing trustees of the organization on behalf of the community at large and contributors while carrying out the organization's mission and goals. To fully meet this goal, the board of directors must actively participate in the planning process as outlined in planning sections of this checklist. | | | |
| R | 4. The board's nominating process ensures that the board remains appropriately diverse with respect to gender, ethnicity, culture, economic status, disabilities, and skills and/or expertise. | | | |
| E | 5. The board members receive regular training and information about their responsibilities. | | | |
| E | 6. New board members are oriented to the organization, including the organization's mission, bylaws, policies, and programs, as well as their roles and responsibilities as board members. | | | |
| A | 7. Board organization is documented with a description of the board and board committee responsibilities. | | | |
| A | 8. Each board has a board operations manual. | | | |

| Rating | Indicator | Met | Needs Work | N/A |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|------------|-----|
| E | 9. If the organization has any related party transactions between board members or their family, they are disclosed to the board of directors, the Internal Revenue Service and the auditor. | | | |
| E | 10. The organization has at least the minimum number of members on the board of directors as required by their bylaws or state statute. | | | |
| R | 11. If the organization has adopted bylaws, they conform to state statute and have been reviewed by legal counsel. | | | |
| R | 12. The bylaws should include: a) how and when notices for board meetings are made; b) how members are elected/appointed by the board; c) what the terms of office are for officers/members; d) how board members are rotated; e) how ineffective board members are removed from the board; f) a stated number of board members to make up a quorum which is required for all policy decisions. | | | |
| R | 13. The board of directors reviews the bylaws. | | | |
| A | 14. The board has a process for handling urgent matters between meetings. | | | |
| E | 15. Board members serve without payment unless the agency has a policy identifying reimbursable out-of-pocket expenses. | | | |
| R | 16. The organization maintains a conflict-of-interest policy and all board members and executive staff review and/or sign to acknowledge and comply with the policy. | | | |
| R | 17. The board has an annual calendar of meetings. The board also has an attendance policy such that a quorum of the organization's board meets at least quarterly. | | | |
| A | 18. Meetings have written agendas and materials relating to significant decisions are given to the board in advance of the meeting. | | | |
| A | 19. The board has a written policy prohibiting employees and members of employees' immediate families from serving as board chair or treasurer. | | | |

This information may be copied. Please cite credit to the United Way of Minneapolis Area.

AFP Code of Ethical Principles and Standards of Professional Practice

STATEMENT OF ETHICAL PRINCIPLES

Adopted 1964; amended October 1999

The Association of Fundraising Professionals (AFP) exists to foster the development and growth of fundraising professionals and the profession, to promote high ethical standards in the fundraising profession and to preserve and enhance philanthropy and volunteerism.

Members of AFP are motivated by an inner drive to improve the quality of life through the causes they serve. They serve the ideal of philanthropy; are committed to the preservation and enhancement of volunteerism; and hold stewardship of these concepts as the overriding principle of their professional life. They recognize their responsibility to ensure that needed resources are vigorously and ethically sought and that the intent of the donor is honestly fulfilled. To these ends, AFP members embrace certain values that they strive to uphold in performing their responsibilities for generating charitable support.

AFP members aspire to:

- practice their profession with integrity, honesty, truthfulness and adherence to the absolute obligation to safeguard the public trust;
- act according to the highest standards and visions of their organization, profession and conscience;
- put philanthropic mission above personal gain;
- inspire others through their own sense of dedication and high purpose;
- improve their professional knowledge and skills, so that their performance will better serve others;
- demonstrate concern for the interests and well-being of individuals affected by their actions;
- value the privacy, freedom of choice and interests of all those affected by their actions;
- foster cultural diversity and pluralistic values, and treat all people with dignity and respect;
- affirm, through personal giving, a commitment to philanthropy and its role in society;
- adhere to the spirit as well as the letter of all applicable laws and regulations;
- advocate within their organizations, adherence to all applicable laws and regulations;
- avoid even the appearance of any criminal offense or professional misconduct;
- bring credit to the fund-raising profession by their public demeanor;
- encourage colleagues to embrace and practice these ethical principles and standards of professional practice; and
- be aware of the codes of ethics promulgated by other professional organizations that serve philanthropy.

STANDARDS OF PROFESSIONAL PRACTICE

Furthermore, while striving to act according to the above values, AFP members agree to abide by the AFP Standards of Professional Practice, which are adopted and incorporated into the AFP Code of Ethical Principles. Violation of the Standards may subject the member to disciplinary sanctions, including expulsion, as provided in the AFP Ethics Enforcement Procedures.

Professional Obligations

1. Members shall not engage in activities that harm the members' organization, clients, or profession.
2. Members shall not engage in activities that conflict with their fiduciary, ethical, and

- legal obligations to their organizations and their clients.
3. Members shall effectively disclose all potential and actual conflicts of interest; such disclosure does not preclude or imply ethical impropriety.
 4. Members shall not exploit any relationship with a donor, prospect, volunteer, or employee to the benefit of the members or the members' organizations.
 5. Members shall comply with all applicable local, state, provincial, and federal civil and criminal laws.
 6. Members recognize their individual boundaries of competence and are forthcoming and truthful about their professional experience and qualifications.

Solicitation and Use of Charitable Funds

7. Members shall take care to ensure that all solicitation materials are accurate and correctly reflect their organization's mission and use of solicited funds.
8. Members shall take care to ensure that donors receive informed, accurate, and ethical advice about the value and tax implications of potential gifts.
9. Members shall take care to ensure that contributions are used in accordance with donors' intentions.
10. Members shall take care to ensure proper stewardship of charitable contributions, including timely reports on the use and management of funds.
11. Members shall obtain explicit consent by the donor before altering the conditions of a gift.

Presentation of Information

12. Members shall not disclose privileged or confidential information to unauthorized parties.
13. Members shall adhere to the principle that all donor and prospect information created by, or on behalf of, an organization is the property of that organization and shall not be transferred or utilized except on behalf of that organization.
14. Members shall give donors the opportunity to have their names removed from lists that are sold to, rented to, or exchanged with other organizations.
15. Members shall, when stating fundraising results, use accurate and consistent accounting methods that conform to the appropriate guidelines adopted by the American Institute of Certified Public Accountants (AICPA)* for the type of organization involved. (* In countries outside of the United States, comparable authority should be utilized.)

Compensation

16. Members shall not accept compensation that is based on a percentage of charitable contributions; nor shall they accept finder's fees.
17. Members may accept performance-based compensation, such as bonuses, provided such bonuses are in accord with prevailing practices within the members' own organizations, and are not based on a percentage of charitable contributions.
18. Members shall not pay finder's fees, or commissions or percentage compensation based on charitable contributions, and shall take care to discourage their organizations from making such payments.

Amended October 1999



ADDITIONAL RESOURCES

The AFP Bookstore carries many titles dealing with board development and related issues. These may be purchased at the AFP website www.afpnet.org/afp_marketplace_and_bookstore

AFP Code of Ethical Principles and Standards of Professional Practice can be found on the AFP website at www.afpnet.org/ethics

AFP Fundraising Resource Center—Contact the Resource Center for questions relating to fundraising, philanthropy and nonprofit management. Phone: (800) 688-FIND (3463) or email: resctr@afpnet.org

BoardSource—Dedicated to increasing the effectiveness of nonprofit organizations by strengthening their boards of directors. For more information see www.boardsource.org or phone 202-452-6262 or 800-883-6262.

THE AUTHOR

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A Donor Bill of Rights

PHILANTHROPY is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

I.

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

II.

To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgement in its stewardship responsibilities.

III.

To have access to the organization's most recent financial statements.

IV.

To be assured their gifts will be used for the purposes for which they were given.

V.

To receive appropriate acknowledgement and recognition.

VI.

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

VII.

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

VIII.

To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.

IX.

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

X.

To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

DEVELOPED BY

AMERICAN ASSOCIATION OF
FUND RAISING COUNSEL (AAFRC)

ASSOCIATION FOR HEALTHCARE PHILANTHROPY (AHP)

COUNCIL FOR ADVANCEMENT AND
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