

The Board's Role in Fund Development

Dear Friends and Colleagues,

Recently, I was asked a thoughtful question: *"Why is it important for board members to give? They already volunteer their time, isn't that enough?"* It's a great question, and one I've heard many times throughout my years working in nonprofit leadership. Volunteering is indeed a vital part of being a board member, and the time and energy that board members dedicate are invaluable. However, the act of giving personally holds a different kind of significance for both the organization and the board member.

I thought this would be a great opportunity to share my thoughts on why personal financial contributions from board members are not only important but essential to the health and success of any nonprofit organization. While volunteering is the heart of service, personal giving is the commitment that allows us to lead by example and build the kind of financial support that truly sustains our mission.

In the article that follows, I'll dive into the reasons why personal giving matters and how it strengthens both the board and the organization as a whole.

As leaders in the nonprofit sector, we are tasked with ensuring that our organizations are supported by boards that not only believe in our mission but are also active participants in fulfilling it. One of the most critical elements of board membership is the personal commitment each trustee makes, not just through their time and talent, but also through their personal financial contributions and their role in identifying and soliciting gifts from others.

How Your Board Should Feel About Fundraising

Fundraising is often seen as an intimidating or uncomfortable topic for nonprofit boards, especially when questions arise about whose responsibility it is. Is it the staff's role? The boards? What if there's no staff at all? The reality is that successful fundraising is a team

effort that requires both volunteer board leadership and professional staff working in unison.

In the United States alone, there are nearly **2 million registered nonprofits**, and that number continues to grow. With so many organizations vying for attention and support, competition for donor dollars is fierce. To stand out, nonprofit boards must be deeply involved in fundraising efforts. Successful fundraising requires both volunteer board leadership and professional staff working together to present a compelling case for support.



Today, boards are expected to be not only stewards of governance but also **active participants** in raising private sector funds, both from philanthropic sources and corporate sponsorships. Whether or not your organization has dedicated staff to manage fundraising, **board involvement is non-negotiable**. Board members must embrace their leadership role in ensuring the organization has the financial resources it needs.

Prospective donors are becoming more discerning, and one of their top concerns is whether board members themselves are committed financially. As one donor told me recently, *“If the board won’t give to their own organization, why should I?”* This sentiment is increasingly common and underscores the need for **100% board participation in giving**.

Core Responsibilities of Nonprofit Boards

As a nonprofit board member, you have three essential responsibilities:

1. **Governance & Compliance:** Ensuring your organization meets all legal requirements, maintains financial health, and holds itself accountable to

stakeholders, including clients, funders, and donors. This includes transparent financial reporting, risk management, and legal obligations.

2. **Strategic Vision:** Setting the organization's long-term goals and ensuring they are both responsive to the needs of the community and realistic in terms of the organization's capacity to achieve them. As the philanthropic landscape shifts, boards must ensure their strategic plans are adaptable and aligned with broader social movements and global trends.
3. **Community Linkage:** Acting as a bridge between the organization and the community. Board members bring their personal connections, expertise, and resources to the organization, ensuring it remains responsive and credible within the community.

A board's leadership is most visible when its members contribute both their time and financial resources, showcasing their commitment to the organization's mission. Donors and community leaders expect the board to demonstrate a full investment in the organization. After all, those who give are typically already involved and are more likely to lead by example.

Philanthropic Culture vs. Fundraising

Understanding the difference between **fund development** and **fundraising** is crucial. Fund development is a comprehensive system that involves planning, executing, evaluating, and sustaining all of the organization's philanthropic activities. Fundraising, on the other hand, is just one aspect of this system—it's the process of identifying, cultivating, and soliciting potential donors.

In today's competitive philanthropic landscape, prospective donors want to know that the organization is not only worthy of their investment but also that its leadership is fully committed. With millions of nonprofits competing for funds, donors have many options and tend to choose organizations where boards are clearly **invested in both time and resources**.

Boards must foster a strong **philanthropic culture**, where the organization understands and respects the role of philanthropy. Fundraising is more than just securing money; it's about building relationships and connecting donors to the mission of the organization.

Shifting Focus: Why Philanthropy Matters More Than Just “Getting Money”

It can be tempting for nonprofit boards to focus solely on “getting money in the door,” but that mindset often leads to short-term thinking and a sense of scarcity. A philanthropic approach shifts the focus to abundance and long-term sustainability. Here are a few key distinctions:

- Focusing solely on “fundraising” without considering philanthropy can lead to **reactive, crisis-driven fundraising** efforts.
 - When organizations focus on “charity,” it can imply a sense of weakness or inadequacy, often resulting in the “**tin cup syndrome**”—where organizations beg for money rather than creating value-based partnerships.
 - A **philanthropic approach**, by contrast, emphasizes **abundance, success, and pride** in the impact your organization can achieve.
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What is Fundraising Really About?

Many board members feel reluctant or even fearful of fundraising. These feelings often stem from discomfort with asking for money, especially from friends or colleagues. However, it's important to understand that **fundraising isn't about money**. It's about **people, community, and opportunity**.

In a crowded field of nonprofits, focusing solely on “getting money in the door” can be short-sighted. Organizations that take a **philanthropic approach**—which emphasizes **long-term relationships** and **sustainable impact**—tend to have more success than those that focus only on immediate fundraising.

Fundraising connects donors to your mission by emphasizing the **impact** your organization has in the community. When you're passionate about that mission, it's easier to share that enthusiasm with others. Board members can overcome their discomfort by focusing on the **relationships they build**, rather than focusing solely on the ask.

Why Do People Give?

Understanding donor motivations is key to developing effective fundraising strategies. Here are the most common reasons why people give:

- **To improve or save lives:** Donors want to make a tangible difference through their contributions.
 - **Connection to people:** Fundraising is about relationships, and people are more likely to give when asked by someone they trust.
 - **Connection to the mission:** Donors who believe in the mission are more inclined to support it, especially when they've had a personal experience with the cause.
 - **Investing in a better world:** Many donors view their contributions as investments in a more positive future.
 - **Joy in giving:** Donors often experience a sense of joy and fulfillment when they give, knowing they are helping others.
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The Board's Role in Fundraising: Leading by Example

One of the most critical roles of a nonprofit board is **leading by example**, particularly when it comes to giving. Prospective donors want to see that the board is fully committed—not just through their time and expertise but also through **personal financial contributions**.

Board members have many roles to play in fundraising, and most of them do not involve directly asking for money. Here are several ways board members can contribute:

- Identifying and cultivating potential donors through their networks.
- Developing strategies for donor engagement.
- Being an ambassador for the organization, building relationships within the community.

- Recognizing donors through personal thank-yous or public acknowledgments.
- Attending events as representatives of the board, connecting with donors.
- **Making a personal gift** to demonstrate commitment and inspire others.

Involvement in fundraising is not optional; it is a critical aspect of a board member's role. Whether through direct solicitation or behind-the-scenes support, every board member should be engaged in the process.

With more than **2 million nonprofits** in the U.S., donors have the luxury of choosing where to invest their dollars. They're increasingly looking to support organizations where the board is actively involved in fundraising and **100% participation in giving** is the norm.

Recruiting an AAA Board

A successful board is one where members understand their roles as **Ambassadors, Advocates, and Askers**:

- **Ambassadors** build relationships and spread the word about the organization.
- **Advocates** make the case for support, both formally and informally.
- **Askers** directly solicit contributions, engaging potential donors in meaningful ways.

To be competitive in today's nonprofit world, organizations need boards where every member serves as an **Ambassador, Advocate, or Asker**. These roles are essential for fostering strong relationships with donors and the community.

Board Giving: A Critical Expectation



It's no longer acceptable for board members to rely solely on their volunteer time. Philanthropic standards have shifted, and today, it is expected that **100% of the board will give annually**. This personal financial contribution demonstrates a board member's belief in the organization's mission and sets the stage for more successful donor engagement. **Leading by example** is a powerful motivator for potential donors.

Board members should make the organization one of their top philanthropic priorities during their term of service. The goal is not necessarily for every board member to give large sums but for each to give **commensurate with their means**. This unified commitment strengthens the organization's credibility and creates a stronger foundation for fundraising efforts.

Conclusion

Today's philanthropic environment requires boards to be **active participants** in fundraising. By leading with their own giving and engaging their networks in meaningful ways, board members help build the strong, sustainable organizations our communities need.

Thank you for your ongoing commitment to strengthening our nonprofit sector. Together, we are building a brighter future for the organizations and causes we serve. If we can help you and your organization, please give me a call at 602-920-3775.

Warm regards,

Ron Huddleston, FAHP, CFRE

President, The Huddleston Group