I’m about to put a lot on your buffet table.
Topics for Today

- Boards as Leaders Not Managers
- Developing a Board-led Recruitment & Nominating Process
- Aligning the Bylaws & Board Practice
- Board Members as Ambassadors & Advocates
- Board Self-Assessments
- The Board’s Generative Role (a.k.a. Fundraising)
If I say “should…”

Remind me that:

- Best Practices are experience-based guides, not clubs to be wielded
- Your nonprofit might be at a particular stage in its organizational lifecycle
- As we try to work in the immediate, near term and long term all at once, we need to take it “Bird by Bird”
Boards as Leaders Not Managers
a.k.a. Stay in Your Lane
To what degree are your Board members currently engaged?

- **Newbie Board:** doesn’t know its role
- Board is not really engaged at all
- Board is engaged at policy level and embraces fiduciary role
- Board is overly engaged (in operations!)
Fiduciary Responsibility: Three Duties

**DUTY OF CARE**
Act as an ordinary, prudent person when diligence, attention, and informed participation is required
- Adequate information
- Sufficient time, skill, attentiveness
- Expertise possessed or obtained
- Culture of Inquiry
- Delegation does not mean abdication

**DUTY OF LOYALTY**
Act in good faith and in the best interests of the Nonprofit
- Safeguards against conflict of interests
- Self-dealing requires:
  - Full disclosure
  - Disinterested approval
  - Substantive fairness to the Nonprofit

**DUTY OF OBEDIENCE**
Act to ensure that the nonprofit operates within the laws and rules
- Legislation governing formation and status
- Nonprofit’s Bylaws
- Nonprofit’s mission
Peer-to-peer Insights

<table>
<thead>
<tr>
<th>TEAM STAFF</th>
<th>TEAM BOARD</th>
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<tbody>
<tr>
<td>How could your Board members be better LEADERS of the organization?</td>
<td>How could your Executive Director support you in being a better LEADER of the organization?</td>
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The Board and Executive Director Partnership

When Boards Act as Leaders
- Setting Policies and Overall Parameters
- Selection and Evaluation of ED
- Three Duties: Loyalty, Care, Obedience
- Financial Oversight
- Recruitment and orientation of Board members

When Boards Act as Partners
- Strategic Planning
- Operating Budget
- Risk Appetite
- Ethics and Integrity
- Resource Development
- Timely Decision Making

When Boards Act as Monitors
- Strategic Implementation
- Key Performance Indicators/Measures of Success
- 990s
- Audit

When Boards Stay Out of the Way
- Personnel matters beyond the ED
- Day-to-day management
- Developing procedures and protocols
- Serving as CEO, COO, CFO or CTO
Board Source: 12 Principles of Governance that Power Exceptional Boards
Culture of Inquiry

Exceptional boards institutionalize a culture of inquiry, constructive debate, and engaged teamwork that leads to sound and shared decision making.
Developing a Board-Led Recruitment & Nominating Process
What’s the Difference Between Diversity & Inclusion?

**DIVERSITY IS THE WHO AND THE WHAT:**
Who’s sitting around that table, who's being recruited, who's around that table, who's being recruited, who's being promoted, who we’re tracking from the traditional characteristics and identities of gender and ethnicity, and sexual orientation and disability—inherent diversity characteristics that we're born with.

**INCLUSION IS THE HOW:**
The behaviors that welcome and embrace diversity. If you are a great leader for inclusion, you have figured out how to embrace and galvanize diversity of voices and identities. If I could have my wish, every leader would say, “Where is the diversity in this conversation?”

Jennifer Brown author of Inclusion: Diversity, the New Workplace, and the Will to Change
Strategies to Increase Diversity

How can your nonprofit increase the diversity of your Board? How is your nonprofit defining diversity? What kind of voices do you want to add to your Board? Why?

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My “Analysis”

**Well Intentioned**
- Created as ministry, place-based or small group
- Homogenous leadership (staff + Board)
- Board aging, on “forever,” friends of founder or revolving door
- Close to burn out of a few dynamic leaders
- Need succession plan
- Lack compelling vision
- Missed opportunities for new programs

**Personality-Driven**
- Probably generation+ beyond founder
- Organically diverse, maybe just because of widespread attraction of mission
- DEI commitment not documented or explicitly embraced by all
- Semi-diverse leadership (staff + Board)
- Natural openness
- Some self-reflection
- Natural challenges to raising money

**Institutionalized**
- Mission has evolved over time
- Intentionality in thought, word and deed
- Diverse leadership (staff + Board)
- Group commitment to DEI
- Respect for differences part of DNA/embedded into practices
- Will often refer to itself as a “learning organization”
- Active revitalization of Board
- Continuity of explicit values
- Close to maximizing the potential of its mission and work
WHY DEI?

*Because we want a high-performing organization in order to be able to deliver on the mission*

- Puzzle solving success comes from a diverse group within an inclusion environment
- Richer knowledge bank comes from a diverse set of perspectives within an inclusion env.
- More innovation generated
- Increased engagement of stakeholders
- New networks, new communities

HOW TO ENHANCE DEI?

1. Address structural inequities (e.g., financial aid, Community Scholars)
2. Change the Storyteller (e.g., museums going beyond traditional narratives and stereotypes)
4. Ask for help/an advocate (affinity orgs)
5. Invite to table AND go to a marginalized group
Organizational Culture: Working Toward Inclusion

**Shared Values**
- Passive regard for differences becomes **explicit statement of respect for differences in core values and intentional practices**

**Strategic Thinking**
- No strategic plan becomes **culture of ongoing strategic thinking and a dynamic, documented strategic plan**

**Self-described Identity**
- “As the oldest organization of its kind, we treasure our legacy...” becomes “As a learning, forward-looking organization we are innovative by...”
Program Development
• Perpetuating programs in place at founding becomes developing new programs, harvesting less effective programs, and ensuring contemporary relevance of programs

Evaluation
• Assertions that “we know we do good work” becomes a thoughtful process of documenting impact and measuring progress toward identified desired outcomes

Staff Composition
• Homogeneity in race, gender, age and disability becomes diversity in race, gender, age and disability
• Homogeneity in race, gender, age and disability becomes diversity in race, gender, age, disability, skillset, and thought

• Friends of founder and folks who have been on the Board “forever” becomes directors who are a generation (or more) beyond the founding group

• No terms or term limits in bylaws or lack of enforcement becomes transparent tenures and active Board revitalization
Strategies to Build Inclusion

How can your nonprofit strengthen the culture of inclusion within your Board?

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Strategic “Talent Management” for Building the Board

Recruiting, supporting, developing and retaining Board members – IT TAKES WORK!
Intentional Pipeline for Leadership/Succession

EDs step away, far far away, from the process

- Recruit qualities needed to support today’s mission and tomorrow’s vision
- Make identifying, cultivating, and engaging potential Board members a year-round activity
- Develop a succession plan for each officer and committee chair position more than one year in advance
- Provide leadership and governance training and support
- Self-monitor to identify needs for professional development
- Enforce accountability of Board leaders

What kinds of skill sets, perspectives, attitudes do you want to add to the Board in order to help advance your nonprofit’s strategic goals?
Aligning the Bylaws & Board Practice
Do’s and Don’ts of Bylaw Revision

Schedule a review of the bylaws every 2-3 years. Does it need to be refreshed?
Lift up and discuss key policy issues
THEN give the Board’s decisions to the lawyer to incorporate and advise

Start by editing the bylaws document
“Fight” with others over “legalese”
Let the bylaws go stale (they should evolve as the organization evolves)
(Some) Key Policy Issues

- Should your nonprofit institute a “give or get” policy or not?

- Should your Board members have term limits or not?

- Should your Executive Committee meet monthly or on an as needed basis?

Others are:
- Size of the Board
- Standing Committees
- What’s an absence? Excused absence? How is this enforced?
What can be done to engage Board members (in mutually rewarding ways) after they step off the Board?

- Adding fresh perspectives to institutional memory
- Adding fresh energy to seasoned experience
- Engaging people in other ways that leverage their experience with your organization
- Letting the Board member let go
Lunch Assignment:
**3 Takeaways OR
**1 Question not asked AND
**Meet someone new
Post Lunch:

**Questions not yet asked?**
Board Members as Ambassadors & Advocates
Navigating the Political Waters

CONCLUSION #1
Your members’ interests may lean a particular way, but if your mission is about **EQUAL ACCESS TO ALL**, then your obligation is to meet your nonprofit’s mission.

Tip: Be sure that you have **CODES OF CONDUCT** in place to ensure a safe space for all participants.

CONCLUSION #2
The personal beliefs/activism of the Executive Director (or any other employee) should not become the identity of your nonprofit; your organization’s **IDENTIFY IS GUIDED BY YOUR MISSION**.

Tip: Develop a **SOCIAL MEDIA POLICY** that outlines parameters.

CONCLUSION #3
Avoid opportunistic. Link to a topical issue by speaking up and out about how the legislation/national conversation **AFFECTS YOUR PROGRAM PARTICIPANTS/ABILITY** for you to deliver your mission well.

Tip: Anticipate and prepare draft **POSITION PAPERS** so that you can respond quickly and thoughtfully.
Putting a System in Place

➢ Hold a Staff-Board conversation to develop a shared sense of the parameters for the Executive Director to work within

➢ Develop a shared understanding of the difference between “advocacy” and “lobbying” both in terms of the legalities and how your particular community perceives lobbying

➢ Codify policies and protocols for who is the spokesperson(s) for your nonprofit (including social media)

➢ Develop talking points for Board member use and provide Board members with Action Alerts to keep up to date and engaged
Board Self-Assessments

Goes back to “Strategic Talent Management” and the “12 Principles of Governance that Power Exceptional Boards”

- Pay attention to the growth and development of the Board
- Invest (time and money) in professional development of the Board
- “That which gets measured gets done”

Tips:
1. Design survey with ratings and open-ended questions
2. Conduct annually
3. Analyze and keep track of results to compare baseline to progress each year
4. Hold a thoughtful conversation of the Board, tackling any tricky spots as well as the “easy” areas
5. Utilize survey and conversation results to help inform the Governance Committee’s work
The Board’s Generative Role
a.k.a. Fundraising
What is Culture of Philanthropy?

- Set of values, conventions, and fund-raising practices
  - building relationships

- An environment where donors feel valued and part of something larger than themselves

- When organizations come closer to realizing the full measure of their community’s philanthropic potential
Where does your nonprofit fit?

- **Good Deal of Wealth in the Community**
  - Donors are NOT Giving at or Near their Capacity
  - Donors are Giving at or Near their Capacity

- **Not a lot of Wealth in the Community**
  - Donors are NOT Giving at or Near their Capacity
  - Donors are Giving at or Near their Capacity
My Flags and Favorites

FAVORITES: POSITIVE SIGNS

➢ ED is 100% committed to being involved on a face-to-face basis with the top donor prospects

➢ Staff and Board use the pronouns “we” and “us” instead of “you” and “they”

➢ Input from donors is valued as much as their money

➢ Financial information is user friendly and fund accounting is used and understood

FLAGS

➢ Fund raising tends to be opportunistic, following the money, not being mission driven

➢ Responsibility for fund raising is assumed by one or a few people

➢ Donors are treated as if they were a source of gifts only

➢ Development is viewed as a cost rather than an investment, meaning it is generally underfunded and inadequately staffed
Many Ways to be Part of Raising Resources

Expand thinking and comfort level around participating in the fund-raising process

Donor

Ambassador

Sleuth

Cultivator

Solicitor

Steward
Setting the Tone for a Strong Culture of Philanthropy

- Make Them Weep/Kiss the Mission
- Move the Dial/Are We Making a Difference?
- Connect the Dots/Am I Making a Difference?
“Make them Weep”

A youth worker was having a hard time making a connection with one of her young clients. The girl faced significant challenges living with a terminally ill mother. While somehow getting good grades, she was constantly fighting in school, was very withdrawn, and refused to have a significant interaction with the new youth worker.

As this was happening, the organization and various community members had just completed painting a mural in the neighborhood. Since no one had officially seen the final project, the supervisor suggested that the youth worker take the girl to visit the mural.

The girl was silent the entire ride to the mural. Even after getting out of the car she didn’t say a word. She just stared at the mural. What she saw was a huge painting of herself with her hand stretched out to the sky and an incredible smile. She is surrounded by cops and community members in a protective embrace. She was silent for several minutes. Then a tear rolled down her face and she looked at the worker and said, “That’s me and I’m pretty.” The girl and the worker then sat and talked, really talked, for the first time.
Move the Dial

55% increase in the # of scholarship recipients (365 to 430) from FY 17 to FY 18

$1.3 million in award dollars

$5 million in 2004

$40 million in 2018

$50 million by 2020

Size of Endowment
Connect the Dots: Cotton Patch Gospel
Photo Credit: Richmond Times Dispatch
Peer-to-peer Insights

TEAM STAFF

• What do you wish your Board members would do more of?
• What do you wish your Board members would do less of?

TEAM BOARD

What do you need in order to be more engaged in raising funds for your nonprofit?
From Strategic Plan to Case for Support

**Strategic Plan**
- What does the Strategic Plan envision as the future for your nonprofit?
- What expectations does the Strategic Plan outline for financial resources over three to five years, specifically contributed income?

**Funding Priorities**
- What are the programmatic outcomes of each funding priority, which you can then present in front of a donor/funder?
- What are the costs associated with each program-related funding priority?
- What are the nature, scope, and costs associated with funding priorities that are about investment in the organization's capacity or infrastructure?

**Case for Support**
- Illustrate the impact of giving -- the contrast of "before" the gift and "after" -- which should relate to the KPIs of the Strategic Plan.
- Illustrate the urgency (not desperation) of the funding priorities.
- Honor the history/heritage of your nonprofit in ways that demonstrate a track record that points forward toward future initiatives that will be successful with the appropriate financial resources.
Develop Progressive Messaging

Going beyond saying THAT your nonprofit is great to talking about HOW your nonprofit is great in ways that resonate with what donors/funders value.

“We’re a great organization. Give to us.”

“Here’s why we’re great. Give to us.”

“Here’s why our great organization should be of interest to you. Give to us.”

“Here’s how our great org. aligns with your: Business dev. goals Larger/national issue Philanthropic agenda Give to us.”
“Three Truths” – Questions to Help Differentiate Your Nonprofit

Step 1: Answer each of these questions for your nonprofit

Who are we?
What do we believe in?
How are we different?
How are we changing the world?
Where is our place in the world?

Step 2: Write “three truths” for your nonprofit

1. 
2. 
3. 

Planned Giving: What are you waiting for?
“... the pace of change started to accelerate in the early 2000s as a billionaire class minted by a second Gilded Age turned to large-scale giving. And, in just the past few years, things have speeded up sharply, with a host of new mega-givers embarking on ambitious philanthropy. Other trends like impact investing, rising racial tensions, and the election of Donald Trump have also brought change and disruption.”
US Legal Wills Blog: Nature of Bequests

3 ways

specific amount
% of residual estate
specific asset

59%
specific amount

34%
% of residual estate

7%
specific asset

$7,000
median value of specified bequests

$20,000
median value of residual bequests
Understand and Reject Organizational Myths

Four commonly-held myths that keep most nonprofit organizations from pursuing Planned Gifts with vigor:

1. Planned giving is very difficult
2. One needs to be a planned giving expert to be involved in gift planning
3. All planned gifts are deferred gifts
4. Planned gift marketing should be passive
Pyramid of Giving

GOAL
Outside-In
Bring everyone closer to your nonprofit

STRATEGY
Inside-Out
Start with our best prospects first

Major Donors and Planned donors
Loyal Donors
Donors
Prospects
Suspects
Online & Printed Publications

I would be delighted if you did “just” these three basics:

1. Incorporated PG messaging into existing materials

2. Created a PG webpage (or just a paragraph in “Support Us”)

3. Produced a PG brochure

☐ I have included [your nonprofit] in my will. OR
☐ I would like to learn more about remembering [your nonprofit] in my will.
An Additive Message

The Case for Planned Giving

◦ In perpetuity
◦ Margin of excellence
◦ Rainy Day reserves
◦ Hedge against economic downturn
◦ Liquidity
◦ Flexibility
◦ Innovation & Opportunity
Craft Your PG Message

- **Emotion vs Technical**
- **Homegrown vs Canned**
- **Use Testimonials & Examples**
- **Subtly Counter/Dispel Donor Myths**

Legally “estate” means an individual’s total assets minus any liabilities.

“I don’t have an estate.”

“I’m not old enough.”

“I’m not wealthy.”

“I won’t be able to leave anything to my children.”

As soon as you make a will, thinking about the fate of your assets, you are old enough.

The average size of bequests is $7,000.

Thinking of a bequest to charity as an additional child might help you feel that you’re caring for your children and your charitable passions.
Next Steps:

**Identify 3 Next Steps within 30 Days

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