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CONTENTS:

- [The Board's Fundraising Responsibility](#)
- [One Board Member Can Make a Difference](#)
- [Communicating Expectations About Money](#)
- [Responsibilities of a Board Member](#)
- [What to Look For in Board Members](#)
- [Desirable Personal Qualities/Characteristics of Board Members](#)
- [Board Member Agreement](#)
- [Sample Job Descriptions for Board Officers](#)
- [Building an Effective Governing Board](#)
- [Rating Donor Prospects](#)
- [Donor Prospect Profile](#)

THE BOARD'S FUNDRAISING RESPONSIBILITY

The all-too-common scenario: the chief professional officer is frustrated because s/he thinks it's the duty of board members to raise money—but they aren't. A few board members agree and they say (or bring in a consultant to say) something like: "Every member must give, get, or get out." Board members typically have several reactions:

- They resent being required to do something they believe they weren't told was a requirement when invited to join the board.
- They feel put a great deal of time into the organization. In the case of a private or parochial school, they are already paying substantial tuition and may believe that is more than enough financial support.
- Some doubt they could succeed at raising money, even if they tried.

To untangle this knot, it's helpful to think of the board as having two roles: a governance role where the board acts as a body to ensure accountability, and a support role where board members sustain the organization, acting as individuals, through volunteering and donating. Ensuring that the organization has a realistic strategy for raising funds is a critical governance responsibility of the board of directors. But that strategy may or may not include individual fundraising by board members. The strategy for raising funds will probably include a combination of efforts: fees-for-service (such as tuitions, service fees, registration fees, tickets), special events, mail fundraising campaigns, and individual major gifts. The board must recognize several important fundraising-related considerations:

- As a body, the board is responsible for approving and monitoring performance of a revenue strategy that will sustain the organization's work.
- In the context of that plan, as individuals, each board member must do something to help implement that strategy, including making a personal gift each year and for special major campaigns (capital or endowment).

- No one has to or should take responsibility for all aspects of fundraising. Fund development is a total board function.
- Capacity and willingness to support fundraising activities should be factors in board recruitment. That includes individual giving capacity and access to others with interest in and ability to give.
- Expectations must be clearly and fairly communicated to new board members during the recruitment process.

In other words, there should be methods that take advantage of each of the individual strengths that board members have and are willing to contribute.

The board's governance responsibility is to ensure that a suitable financial or revenue strategy is in place. This strategy should have three characteristics:

- It will result in funding needed by the organization for its work.
- It will provide funding for emergency reserve, cash flow and organizational capital investments (e.g., new computers, carpeting, or a publicity campaign).
- It is in line with the organization's ethics and values (for example, whether or not a school should accept donations from alcoholic beverage distributors or tobacco companies).

For a private or parochial school, the board should consider several funding strategies, depending upon the institution's needs—operating revenues, capital monies or endowment funds:

- annual appeal targeted to parents, grandparents and other extended family members
- annual special event, e.g., a testimonial dinner or an invitational activity built around a major entertainment event (performer(s), dramatic presentation, high profile speaker, etc.)
- intensive major gifts campaign targeted to those known to have substantial means—principally for capital building projects and the endowment fund
- in-kind donations that support the school's operational requirements

The board should adopt a strategy that is based on what is realistic for the current board and staff, as well as the opportunities most available to them. The Board should agree that each member will participate in one or more activities—identifying potential donors; soliciting donors and prospects directly; volunteering to work on an activity or event; hosting a cultivation reception; working of event publicity; donating in-kind services or goods. Above all, each board member should commit to a personal gift commensurate with his/her financial capacity. Each board member should, in a way comfortable to him or her, support the school's revenue strategy.

In short, the board can fulfill its fiscal governance responsibility by its choosing and monitoring a revenue plan, while individuals support the organization by participating in the plan's implementation. Clarifying this distinction, as well as the expectations of board members, will go a long way towards more productive discussions about fundraising.

[back to top](#)

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ONE BOARD MEMBER CAN MAKE A DIFFERENCE

Most board members feel that they "ought" to be raising money or, at least, more money. It's frustrating to be one board member who wants the board to do more to raise money, when others on the board are reluctant or even antagonistic about the idea. The board as a whole needs to ensure that there is an overall plan for raising or earning the money the institution

needs to do its work. Consider what ONE board member can do as an individual:

- Make a personal contribution. Hand write a short note to the board chair/president explaining why you are making the contribution, and give the check and note to him/her as you leave the board meeting. Speak to the reasons for your support when fundraising is discussed at board meetings.
- Host a cultivation event in your home or business and invite twenty friends and relatives. On the invitation say that they will learn about the school and its value to the community and enjoy great hors d'oeuvres or dessert. Hold the event on a Sunday afternoon or weeknight 4-6 PM. The day before the event, call everyone again and urge attendance. Invite three or four other board members so they can learn how to do this themselves. At the event, have one parent or alumnus speak briefly about what the school has meant to him/her. Next, have a faculty member speak briefly. Then YOU explain to the group why you serve on the board and think the school is important. Entertain questions. While cultivation events are often more for encouraging support than actually seeking contributions, consider whether you wish to encourage your guests to make a contribution before leaving the party. (Alternatively, use the gathering strictly for cultivation and don't ask for money—but make certain to record the names and contact information of all guests and follow up with a "thank you" and a request for support.
- Write a letter and send it to ten friends and relatives. In the letter, explain why you serve on the school's board and why Jewish day schools are important to the community—and for the cause of Jewish continuity. Ask them to consider making a contribution, and let them know they can send a check to you or directly to the school. Give your list of names to the staff and ask them to notify you immediately if they receive any contributions. Write a personal note of appreciation—in addition to the formal acknowledgement by the school—to each person who responds with a gift.
- Volunteer to match the contributions from other board members. Tell the board that you will match, dollar-for-dollar, every contribution from a board member before December 31, up to a specified total. The catch: You will only do it if each and every board member makes a contribution. Alternatively, have the board chair tell the board that a person who wishes to remain anonymous has made this offer.
- Together with two or three other board members, pledge significant gifts. Then write a letter to the rest of the board showing your collective commitment: "We have pledged to give a combined total of \$X,000 to the school this year, because we believe in the school's mission and want to ensure its long-term success. Won't you join us in helping to underwrite the school's important work?"

[back to top](#)

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COMMUNICATING EXPECTATIONS ABOUT MONEY

While effective organizations recognize that board members bring expertise and experience, most boards also look to their members for personal financial contributions (their "venture capital"). But communicating fundraising responsibilities in a friendly, positive way is difficult for many organizations. Here are two simple ways to try:

Wish List. Don't assume that board members understand how to help defray day-to-day costs. A simple statement of "wishes" will give board members ideas on how to do that. Examples of non-cash wish list items might include:

- Having a major printing project be underwritten by a board member
- Having each board member provide an introduction of a potential funder (private

- foundation or individual) during the year.
- Hosting and underwriting a fundraising event.
- Providing computer hardware/software, furniture, reference materials, specialized machinery, a van, or other equipment
- Having each board member bring five people to two events/programs during the year.

Board Member's Pledge Form.

Each year, collect the following commitment form from each board member:

For Fiscal Year 2003 my contribution toward the support of (school name) will be:

- Personal financial contribution: \$ _____
 ___ Check enclosed. ___ Send a quarterly reminder. ___ Charge credit card quarterly:
 Card type: _____ Account #: _____ Exp date: _____
- My company will match my gift. Company name/match amount: _____
- I will make a financial contribution of stock, bequest, other: _____
- I will participate in preparations for one or more of our special events:
 ___ Annual Gala ___ Theater Party ___ Summer Bash ___ House parties
- I will assist with fundraising outreach to the following foundations, companies, and individuals:

- I can provide/identify in-kind resources/services (computer equipment, office supplies, transportation, furniture, professional services, etc.):

Name:

[back to top](#)

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RESPONSIBILITIES OF A BOARD MEMBER

- Attend Board meetings and significant school events
- Chair and/or participate in at least one Board committee
- Participate in setting school policies
- Accept responsibility for school's financial stability
- Make an annual financial contribution at a level commensurate with capacity
- Participate in school fundraising activities
- Identify friends and associates who might be prospective donors or Board members
- Participate in hiring and periodic evaluation of the school's headmaster/principal
- Support and advise the headmaster/principal as appropriate

- Represent the school to the community

[back to top](#)

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WHAT TO LOOK FOR IN BOARD MEMBERS

The following factors provide a useful template for assessing both current and potential board members.

Organizational Expertise. Does the person understand the school's purpose, goals, objectives and operational style sufficiently to be able to participate intelligently and effectively?

Management Experience. What level of managerial experience does the person bring from his/her own business, profession or other life experiences? This can be valuable in helping the school to achieve its goals and objectives and to bring about needed changes.

Community Involvement. What are the number, quality and diversity of the person's other community interests and involvements? This is beneficial in meeting community needs and bringing about collaboration with other organizations.

Recognition and Image. How well known is the person and how can his/her participation on the board enhance the community's awareness/ impression of the school?

Financial Impact. Does the person have sufficient influence to generate financial support for the school and is he/she willing to make a quality personal financial commitment to the school?

Organizational Commitment. What is/will be the level of involvement—leadership, financial support, participation, etc.—of the person and/or family members in the school's programs, activities or history? Is there a personal stake in the school's success? Community Representation. To what degree does the board and its members accurately reflect the interests and needs of relevant groups or classes of people in the community?

Specific Organizational Service. To what extent does/can the person provide extra or specialized services and contacts helpful to the school's well being? This might include special legal, marketing, real estate development or accounting services, preferential purchasing status or funding contacts with businesses or foundations.

[back to top](#)

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DESIRABLE PERSONAL QUALITIES/ CHARACTERISTICS OF BOARD MEMBERS

- Integrity: Ability to know and press for "what is right"
- Enthusiasm about the school and conviction about its mission
- Interest in people -- their issues/problems and potential
- Demonstrated interest in community service
- Willingness to commit time, energy and resources
- Ability to command community confidence
- Orientation to the future -- ability to look ahead

- Ability to assess information and make decisions
- Courage to state one's views on important issues
- Willingness to accept and support decisions democratically made

[back to top](#)

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Ensure board members are clear on their responsibilities by developing and adopting a "Board Member Agreement." The following sample will help you get started.

BOARD MEMBER AGREEMENT

I, _____ understand that as a member of the Board of Directors of _____, I have a legal and moral responsibility to ensure that the school does the best work possible in pursuit of its goals. I believe in the purpose and the mission of the school, and I will act responsibly and prudently as its steward.

As part of my responsibilities as a board member:

- I will interpret the school's work and values to the community, represent the school, and act as a spokesperson.
- I will attend at least 75% of board meetings, committee meetings, and special events.
- I will make a personal financial contribution at a level that is meaningful to me.
- I will actively participate in one or more fundraising activities.
- I will act in the best interests of the school, and excuse myself from discussions and votes where I have a conflict of interest.
- I will stay informed about what's going on in the school. I will ask questions and request information, as appropriate. I will participate in and take responsibility for making decisions on issues, policies and other governance matters.
- I will work in good faith with staff and other board members as partners to achieve our goals.
- If I don't fulfill these commitments to the school, I will expect the board president/chair to call me and discuss my responsibilities with me.

In turn, the school will be responsible to me in the following ways:

- I will be sent, without request, quarterly financial reports and an update of organizational activities that allow me to meet the "prudent person" section of the law.
- I will have opportunities to discuss with the headmaster/principal and the board president/chair the school's programs, goals, activities, and status.
- The school will help me perform my duties by keeping me informed about issues in general and Jewish education, and by offering me opportunities for professional development as a board member.
- Board members and staff will respond in a straightforward fashion to questions I have that I believe are necessary to carry out my fiscal, legal and moral responsibilities to the school. Board members and staff will work in good faith with me to achieve our goals.
- If the school does not fulfill its commitments to me, I can call on the board president/chair and headmaster/principal to discuss these responsibilities.

Signed:

Member, Board of Directors

Date: _____

Date: _____

President/Chair, Board of Directors

Have the Board President/Chair and new board members sign this agreement, return one copy, and retain the other for reference.

[back to top](#)

SAMPLE JOB DESCRIPTIONS FOR BOARD OFFICERS

PRESIDENT/CHAIR/CHIEF VOLUNTARY OFFICER (CVO)

- *General:* Ensures the effective action of the board in governing and supporting the school, and oversees board affairs. Acts as the representative of the board as a whole, rather than as an individual supervisor, to staff.
- *Community:* Speaks to the media and the community on behalf of the school (as does the headmaster/principal) and represents the school in the community.
- *Meetings:* Develops agendas for meetings in concert with the headmaster/principal and presides at board meetings.
- *Committees:* Recommends to the board committees that are to be established. Seeks volunteers for committees and coordinates individual board member assignments. Makes sure each committee has a chairperson, and stays in touch with chairpersons to be sure that their work is carried out. Identifies committee recommendations that should be presented to the full board. Determines whether executive committee meetings are necessary and convenes the committee accordingly.
- *Headmaster/Principal:* Establishes search and selection committee (often acting as chair) for hiring a headmaster/principal. Convenes board discussions on evaluating the headmaster/principal and negotiating compensation and benefits package, and conveys information to the headmaster/principal.
- *Board Affairs:* Ensures that board matters are handled properly, including preparation of pre-meeting materials, committee functioning, and recruitment and orientation of new board members.

VICE PRESIDENT / VICE CHAIR

- *General:* Acts as the president/chair in his/her absence; assists the president/chair on the above or other specified duties.
- *Special Responsibilities:* Frequently assigned to a special area of responsibility, such as membership, media, annual dinner, facility, or personnel.
- May, explicitly or implicitly, be chosen to be the president-elect.

TREASURER

- *General:* Manages the board's review of, and action related to, the board's financial responsibilities. May work directly with the bookkeeper or other staff in developing and implementing financial procedures and systems.
- *Reports:* Ensures that appropriate financial reports are made available to the board. Regularly reports to board on key financial events, trends, concerns, and assessment of fiscal health.
- *Finance Committee:* Chairs the Finance Committee and prepares agendas for meetings, including a yearlong calendar of issues. (In larger organizations, a separate audit committee may be chaired by a different person.)
- *Auditor:* Recommends to the board whether the school should have an audit. If so, selects and meets annually with the auditor in conjunction with the Finance and/or Audit Committees.
- *Cash Management and Investments:* Ensures, through the Finance Committee, sound

management and maximization of cash and investments.

[back to top](#)

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Building an Effective Governing Board

Healthy nonprofit organizations generally have strong, committed governing boards that take an active role in developing policy, ensuring effective programmatic and financial oversight, supporting a broad-based fundraising program and providing a community outreach capacity.

Board size should be sufficient to ensure members' diversity of skills and backgrounds and to permit an effective governing process. Fundraising, outreach, long-range planning, and financial and program oversight responsibilities — carried out through an **effective committee process** — require active participation from a critical mass of board members, and adequate numbers ensure that board duties can be shared without imposing too much burden on anyone.

An organization should not be reluctant to make clear what it expects from board members. One of the most effective ways to energize board members is to educate them from the outset as to the organization's expectations of them and then to involve them in shaping the organizational vision, mission and goals. They should be given a **statement of expectations** at the time of appointments. This statement should include expectations for board and committee meeting attendance, fundraising, and participation in the organization's policy, program and financial planning and oversight activities. If kept regularly informed about the organization's operations and involved in important decisions, board members will not only be engaged, but they will develop a greater commitment to the organization's goals and its success in achieving them.

In assessing candidates for board membership, it is important to determine how they can best help the organization accomplish its mission. A well-functioning nonprofit organization should have a formal **board development strategy** focused on cultivating and recruiting people with the mix of skills, resources and connections that will enhance the organization's community standing, reflect the needs and concerns of the organization's constituents, and complement and reinforce staff capacity. This includes not only committed, active workers, but also people with personal financial resources and/or access to others with philanthropic potential, and members with the ability to reach out to various spheres of influence and advance the organization's visibility and agenda.

To do successful **fundraising**, an organization should strive to create a "development board," i.e., a board that includes engaged and committed volunteers willing to invest time, to make personal gifts and to reach out to others who may have the capacity to support the organization's fundraising. This does not mean that all board members must be wealthy. Indeed, for most organizations, having a diverse and broadly representative board is important. However, acceptance of board membership should explicitly indicate acceptance of a fundraising responsibility.

Boards should meet in **retreat** at least once annually for an extended period of time to review ongoing activities and to address issues facing the organization. Such sessions offer a particularly good opportunity to have board members address important financial issues and focus on strategic goals requiring major fundraising. This is a timely and natural way to develop board ownership of the organization's strategic initiatives and to underscore the importance of their role in accomplishing those goals.

[back to top](#)

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RATING DONOR PROSPECTS

One of the most important elements of successful fundraising from individuals will be reliable donor information. To determine the appropriate giving target to assign a prospective donor-and, consequently, to equip the solicitor to secure the desired gift-the development committee must develop accurate, dependable information on the donor's financial profile, philanthropic interests (and prejudices), overall charitable giving history, organizational affiliations, and personal relationships. The more the solicitor knows about the prospect, the more likely the solicitor is to obtain a gift -- and to do so at or near the desired level.

Such information can be developed in various ways. Once particular prospects have been identified, for major gift prospect data can be collected through:

- Prospect rating sessions by the development/campaign committee and other solicitors;
- Search of media files (e.g., newspaper, Internet, etc.) and corporate/nonprofit annual reports/programs
- One-on-one meetings with friends, acquaintances and associates of identified prospects

The donor prospect rating process should focus primarily on major gift candidates. The compilation of a major gift prospect list assumes a certain minimum giving potential. Once the development committee has created the list of prospects, certain additional data will be needed to support the donor solicitation process. This information should be compiled into individual prospect profiles, which must be treated in confidence to assure the integrity of the fundraising campaign.

- Which board members have the type of relationship with the prospect-personal, social, business/professional, religious, etc. required for an effective solicitation? Is/are the prospective solicitor(s) willing to and capable of making the solicitation?
- Is the prospect or spouse (financially) active in other philanthropic activities? Which ones? Would this activity prohibit or limit his/her potential for a proposed campaign?
- Based upon the prospect's business/professional standing, philanthropic history, consumption patterns and generally known material assets, what is the prospect's likely giving potential?
- Has the prospect been associated with other local fundraising activities? What has been the extent of his/her prior activity-volunteer and financial-in other similar organizations and causes in the local community? Other philanthropic causes?
- Are other members of the prospect's extended family or business/professional affiliation involved in support of nonprofit organizations?
- How does the prospect view the fundraising objectives? Are there any serious (especially negative) concerns that should be noted?
- To what extent is the prospect aware of the needs of the organization? Is the prospect known to be supportive of/opposed to the projects/programs of the organization?

Does the prospect have any particular idiosyncrasies of which the solicitor should be aware?With the foregoing questions and guidelines in mind, the attached prospect profile form can be used to assemble prospect information that can later be transferred to a computerized database.

[back to top](#)

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DONOR PROSPECT PROFILE

GENERAL

Name _____ **Solicitor** _____

Home Address _____

Occupation _____

Business Address _____
Telephone (H) _____ **(O)** _____
Spouse _____
Children/Grandchildren _____

SCHOOL CONNECTION(S)

Prospect _____
Spouse _____
Children _____
Grandchildren _____
**Other Family, Friends, Associates w/
Connection** _____

PHILANTHROPIC INTERESTS (Indicate financial commitment, if known)

School (current) _____
Other Jewish _____

Higher Education _____

Cultural _____
Social Service _____
Social Causes _____
Other _____

SOCIAL/RECREATIONAL INTERESTS _____

KNOWN ATTITUDE TOWARD SCHOOL _____

GENERAL COMMENTS _____

ASKED \$ _____ **PLEGGED \$** _____ **AMOUNT PAID \$** _____

DATE _____

SOLICITOR COMMENTS _____

[back to top](#)