MARC SMILEY

Organizational Development

STRENGTHENING THE CONSERVANCY

NORTHCENTRAL PENNSYLVANIA CONSERVANCY

SEPTEMBER 25-26, 2004

MARC SMILEY

Organizational Development

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Marc Smiley Organizational Development provides a full range of consulting services focused on the fundamental elements of successful nonprofit organizations, including training, consulting and facilitation in the areas of:

- ✦ Board Development

- ✦ Strategic Planning

- ✦ Fundraising Planning and Implementation

- ✦ Board-Staff Relationships

- ✦ Staff Development

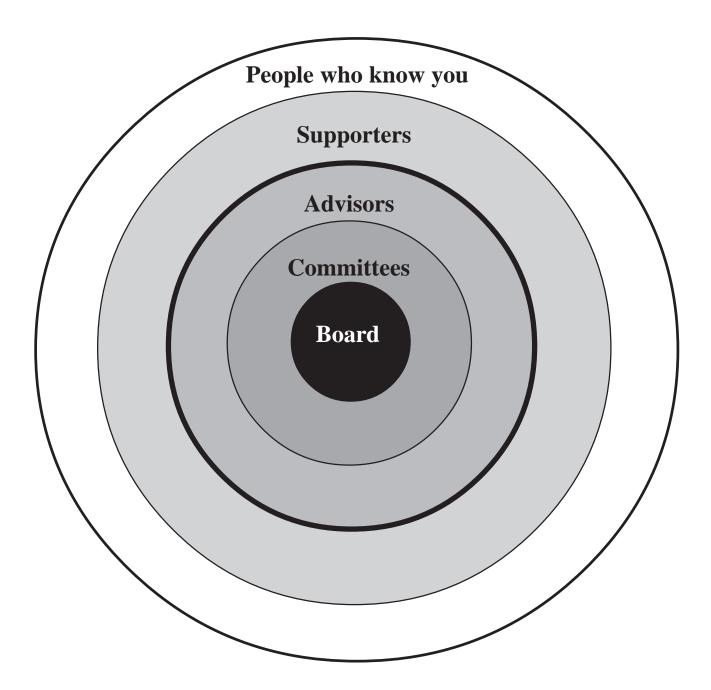- ✦ Program Development and Implementation

- ✦ Special Projects
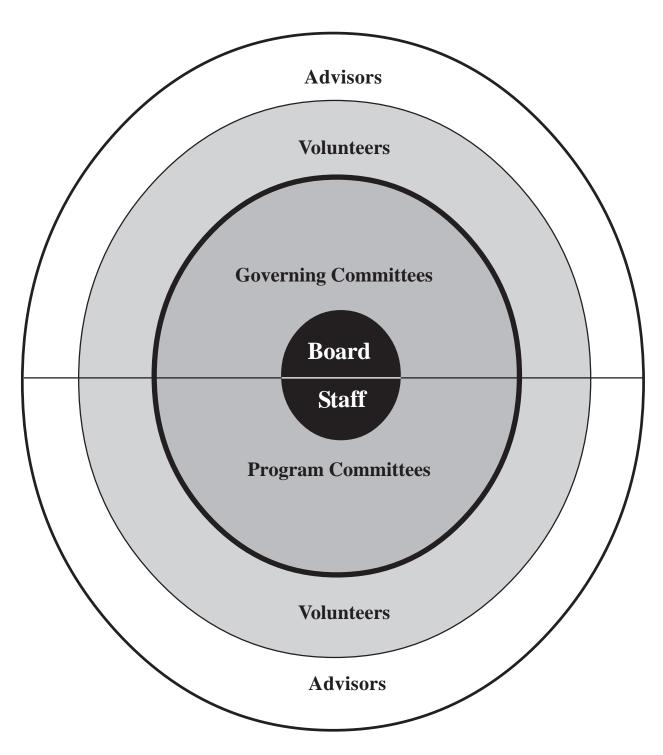
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BUILDING AN ORGANIZATION

People who know you

Supporters

Advisors

Committees

Board

SHARED ROLES OF LEADERSHIP

Advisors

Volunteers

Governing Committees

Board

Staff

Program Committees

Volunteers

Advisors

POLICY MAKING

Policies govern the direction and operations of an organization. They provide a framework for decision making within which the organization can do its work. But while the board does set policy, it is not responsible for setting ALL policies.

The board of director's role regarding policy is to:
- Establish and/or approve the broadest and most strategic policies
- Ensure that policy is being developed and implemented
- Review policy periodically

The board reviews policies, when necessary, in order to reflect the changing needs of a community. It also ensures the organization's compliance with legal requirements. Some policy-setting responsibility, however, should be passed through to the staff. In order to understand which policies the board should address directly and which policies the board should delegate, distinction must be made among various kinds of policies.

The broadest policies are those that address the governing functions of the organization. These **governing policies** include issues about strategic direction and leadership development, and can be found within the strategic plans and bylaws. The board is directly responsible for the formulation of these policies.

The central governing policy of an agency is the *mission statement*. The board is responsible to see that the mission is clearly defined. This will ensure that potential clients and customers will understand the organization's purpose and goals, that staff will know how to direct their efforts, and that investors will know what they are supporting. The mission statement is defined further through *goals and objectives*. These are established thorough a cooperative effort of the board, with input by the staff and volunteers.

The second policy level is **executive policy**, such as financial policies, endowment policies and personnel policies. These policies are usually established by committees or staff, and approved by the board. Unlike the broadest governing policies that are reviewed and revised on a more infrequent basis, executive policies tend to be part of the regular deliberation of the board.

A third level of policy is **administrative policy**. This includes policies about managing the workplace and communicating among staff. These policies are developed and administered entirely by the staff. The board does not establish these policies, but is aware of them, assuring they conform to legal requirements and to the governing and executive policies.

It is through the regular approval and review of these policies (not micro-management of individual activities) that a board maintains contact with the day-to-day operations of the organization and fulfills its accountability to the organization's constituencies.

OVERVIEW OF BOARD DUTIES

1.   The board engages in strategic planning.

2.   The board determines the organization's mission and purpose.

3.   The board approves and monitors the organization's programs and services.

4.   The board raises money.

5.   The board enhances the organization's public image.

6.   The board ensures effective financial management.

7.   The board ensures sound risk management policies.

8.   The board selects and orients new board members.

9.   The board organizes itself so that it operates efficiently.

10.   The board selects and supports the executive director and reviews his/her performance.

11.   The board understands the relationship between board and staff.

BOARD DUTIES AND STAFF SUPPORT

Responsibility 1
The board engages in strategic planning.

Board activities
- ✦ The board focuses on the long-range strategic issues confronting the organization. The board may choose to create a standing strategic planning committee as well as temporary task forces or ad hoc committees around specific strategic issues.
- ✦ The strategic planning committee works with the executive director, and often a consultant, to plan retreats.
- ✦ Each board member understands the organization's strategic plan or vision.
- ✦ Each board member participates in a periodic strategic planning retreat, with particular focus on the organization's vision, mission, goals, and objectives.
- ✦ The full board approves the final strategic plan, including financial projections for the period of the plan.

Staff activities
- ✦ The executive director calendars periodic strategic planning retreats.
- ✦ The executive director ensures that board members are familiar with the existing strategic plan. He/she also provides board members periodically with relevant information about the external environment in which the organization operates.
- ✦ The staff collects and formats all information needed for planning in an understandable, accurate manner.
- ✦ The staff writes all or most of the plan, starting from the board-approved mission and goals, and submits it to the Strategic Planning Committee for review.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 2
The board determines the organization's mission and purpose.

Board Activities
- ✦ Each board member knows and understands the mission.
- ✦ The entire board reviews the mission in the context of strategic planning at least once every three years.
- ✦ Board members specify the information they will need for an adequate review of the mission and purpose.
- ✦ The entire board attends planning retreat(s); reads appropriate materials; participates in discussion.
- ✦ The board revises the mission if necessary. The mission should be clear, concise, and understood by board and staff.

Staff Activities
- ✦ The executive director ensures that the organization's mission statement is provided to every board member when he/she is recruited and is explained thoroughly during new board member orientation and is included in the board manual.
- ✦ The executive director calendars planning and mission review at least once every three years.
- ✦ The staff gathers information needed to review the mission and purpose.
- ✦ The executive director ensures that revised mission is circulated to all.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 3
The board approves and monitors the organization's programs and services.

Board Activities
- ✦ Each board member understands the organization's current programs and services.
- ✦ The board specifies what information it needs on an ongoing basis to monitor the quality and impact of programs and services, e.g., service statistics, outcomes, etc.
- ✦ During planning (#6), the board ensures that the programs and services are consistent with the mission.
- ✦ The board reviews and approves new programs.
- ✦ During planning and/or budgeting, the board reviews existing programs and considers modifications or discontinuance.

Staff Activities
- ✦ The executive director ensures that new board member orientation allows board members to understand existing programs and services. The executive director schedules educational presentations during board meetings.
- ✦ Staff collects, formats, and provides program-related information in an easy-to-understand and timely manner.
- ✦ Staff develops new program proposals for review by the board. Proposals contain both program and financial information and present options when possible. Grant applications that contain new program proposals should be reviewed by the board prior to submission to the prospective funder.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 4
The board raises money.

Board activities
- ✦ Each board member understands the role of contributed funds in the organization's finances as well as the organization's case statement and fundraising strategies.
- ✦ Each board member makes an annual personal financial contribution. The board chair generally solicits each board member.
- ✦ Each board member identifies an area where he/she can make a contribution to fundraising.
- ✦ The board job description contains a clear statement about the expectation for personal giving and participation in fundraising.
- ✦ The committee that recruits new board members seeks new board members who can be helpful in the fundraising process.
- ✦ The board chair appoints an individual or a committee(s) to oversee the board's activities in fundraising
- ✦ The board ensures that the fundraising program has adequate resources in the annual budget.

Staff activities
- ✦ The executive director ensures that prospective board members are informed about the fundraising expectations.
- ✦ The executive director ensures that the new board member orientation and the board manual educate board members about the fundraising case statement and strategies.
- ✦ Staff works individually with each board member to identify the area in which the board member will participate in fundraising.
- ✦ Staff works with the board chair to identify an appropriate gift level for each board member and makes certain that board members are appropriately thanked for their gifts.
- ✦ Staff ensures that board members receive adequate recognition for their participation in fundraising.
- ✦ Staff provides all needed information to board members working on fundraising.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 5
The board enhances the organization's public image.

Board activities
- ✦ Each board member proactively promotes the organization with his/her circle of contacts.
- ✦ Board members respond to requests from staff to make presentations or help the organization make needed contacts.
- ✦ The board ensures that a marketing communications plan exists, has adequate resources, and is being implemented.
- ✦ The board identifies the official spokesperson for the organization.

Staff activities
- ✦ The staff provides board members with good information (talking points, etc.) to use in promoting the organization.
- ✦ The executive director determines each board member's circle of contacts and ensures that they are appropriately used.
- ✦ The staff prepares the marketing communications plan.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 6
The board ensures effective financial management.

Board activities

✦ Generally, the board elects a treasurer who also serves as Chair of the Finance Committee. The board chair appoints the other members of the Finance Committee.

✦ The full board understands the charge of the Finance Committee. The Finance Committee reports to the full board.

✦ The full board approves the annual operating budget on the recommendation of the Finance Committee.

✦ The full board receives periodic (no less than quarterly) financial reports following review by the Finance Committee. Discrepancies are explained by the Treasurer or the Chief Financial Officer.

✦ The full board approves the annual selection of an auditor on the recommendation of the Finance Committee. The audit report and management letter are presented to the full board by the auditor or the Treasurer.

✦ The Finance Committee makes policy and procedure recommendations to the full board.

✦ Where needed, the board creates an Investment Committee to oversee the investment of the organization's assets. The board chair appoints the committee chair and members. The committee reports periodically to the full board.

✦ The committee that recruits new board members seeks members with financial skills.

Staff activities

✦ The executive director ensures that the new member orientation educates members about the organization's financial status and strategies.

✦ The staff prepares the annual budget and presents it to the Finance Committee for discussion.

✦ The staff prepares financial reports that are understandable, accurate, and timely.

✦ The staff explains and provides plans to remedy variances in the operating budget.

✦ The staff provides a plan for responding to any recommendations in the audit management letter.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 7
The board organizes itself so that it operates efficiently.

Board activities
- ✦ The board assigns to a committee, generally the Board Development Committee, the responsibility for overseeing and evaluating board operations.
- ✦ The Board Development Committee annually conducts a board self-evaluation and makes recommendations for change to the full board.
- ✦ The Board Development Committee periodically reviews the bylaws.
- ✦ The board president and committee chairs ensure that their method of planning and conducting meetings results in efficient and effective meetings with appropriate participation by board or committee members and staff.
- ✦ The board president appoints committee chairs and members in consultation with the executive director. The board president considers leadership training as he/she appoints committee chairs.
- ✦ Committee chairs understand their charges and develop annual goals and work plans.
- ✦ The Board Development Committee seeks individuals with leadership potential as it recruits new board members.

Staff activities
- ✦ The executive director assists the Board Development Committee in finding evaluation instruments.
- ✦ The executive director calendars the board self-evaluation process.
- ✦ Staff maintains the board manual and keeps it up to date.
- ✦ The executive director maintains the bylaws and ensures that each board member has an up-to-date copy.
- ✦ The executive director provides materials to the board chair and committee chairs on running an effective meeting. He/she also works with chairs on meeting agendas.
- ✦ The executive director recommends committee chairs and members to the board chair.
- ✦ The executive director ensures that each committee has appropriate staff support and access to the information needed for their deliberations.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 8
The board ensures sound risk management policies.

Board activities
- ✦ The board assigns risk management to a committee, generally the Finance Committee.
- ✦ The Finance Committee collects information about probable risks, reviews existing policies and risk abatement strategies, and recommends appropriate policies to the full board.
- ✦ The Finance Committee periodically reviews all insurance carried by the organization.

Staff activities
- ✦ Staff maintains insurance policies, pays premiums.
- ✦ The executive director calendars review of insurance coverage and makes all needed information available to the committee.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 9
The board selects and supports new board members.

Board activities

✦ The board creates a Board Development Committee to recruit and nominate new board members, re-nominate existing board members, and nominate officers. The board chair appoints the chair and members of the Board Development Committee.

✦ The Board Development Committee identifies needed board skills and attributes and searches for individuals who have an interest in the organization and meet the criteria. The Committee works with the entire board to cultivate and recruit those individuals.

✦ The Board Development Committee reviews and recommends a new member orientation process to the full board.

✦ The Board Development Committee identifies training needs for the organization and facilitates the board's acceess to training opportunities.

✦ The Board Development Committee coordinates a board evaluation process, and works with the President to follow-through on any issues that arise for individual board members.

✦ The Board Development Committee coordinates recognition activities for the board and takes steps to help ensure that all board members receive appropriate recognition for their contributions.

✦ The Board Development Committee may recommend that non-performing board members be given an opportunity to participate in the organization in a role other than Board member.

✦ The Board Development Committee recommends policies (often from the bylaws) on board size and composition, length of board service and other matters related to board governance.

Staff activities

✦ The executive director or a designee maintains the records on board service and publishes a board roster with appropriate information.

✦ The executive director maintains records on prospective board members.

✦ The executive director generally staffs the Board Development Committee.

✦ The executive director coordinates the new board member orientation process.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 10
Select and support the executive director and reviews his/her performance.

Board Activities
- ✦ The board chair appoints the appropriate committees (search committee; evaluation committee, personnel committee) and ensures that their charges are clearly understood.
- ✦ The committees report their recommendations to the full board.
- ✦ In a search process, the full board approves the search process, the job description, the salary range, meets the final candidate(s) and votes to hire. The board chair or a designee makes the job offer and negotiates salary and employment conditions.
- ✦ In an evaluation process, the full board approves the evaluation process and salary adjustment range and receives a summary report of the evaluation outcomes.
- ✦ During evaluation, the committee reviews the executive director job description and makes recommendations for change if necessary.
- ✦ The board chair meets frequently with the executive director to provide feedback, to help set priorities, and to offer advice.
- ✦ Board members are responsive to the executive director's requests for advice and assistance and support the executive director in public.
- ✦ Board members take any concerns about the executive director to the board chair.

Staff Activities
- ✦ The executive director ensures that the board chair is familiar with the evaluation process and has access to any relevant files.
- ✦ The executive director calendars his/her own evaluation.
- ✦ The executive director reviews his/her own job description and makes recommendations for change.

BOARD DUTIES AND STAFF SUPPORT (CONTINUED)

Responsibility 11
The board understands the relationship between board and staff.

Board activities
- ✦ Each board member understands that unless otherwise specified, his/her point of contact with the staff is through the executive director.
- ✦ The board reviews and approves personnel policies including compensation and benefits policy, professional development, and grievances. The board may create a temporary ad hoc committee to develop and/or periodically review these policies.
- ✦ The board holds the executive director accountable for the performance and behavior of the staff as a part of the executive director's annual evaluation.

Staff activities
- ✦ The staff understands that unless otherwise specified, their point of contact with the board is through the executive director.
- ✦ The executive director hires, fires, and evaluates all staff.
- ✦ Staff adheres to the personnel policies.

CONFLICT OF INTEREST

A critical policy for all nonprofit organizations is a Conflict of Interest Policy, which defines the situations in which a conflict of interest must be noted and addressed, and the process in which the organization resolves the conflict of interest. Resolving conflicts of interest are important to ensure that board members are consistent with their duties of loyalty and care owed to the organization.

In the development of such a policy, it is important to make the distinction between a **certain conflict of interest** and the **perception of a conflict of interest.** While organizations must address the real conflicts, they must also manage the perceived conflicts to ensure their organization's credibility and integrity remain strong.

The following specific areas are helpful in the development of a conflict policy.

1. *Disclosure of direct or indirect financial interest.* Board members must disclose the interests in which they receive a direct or indirect financial benefit from their association with the organization. The direct connections are the more obvious, but indirect connections, when a board member may benefit from an intermediary or secondary connection, are also important to disclose. In the policy, board members should be given clear direction on how to disclose their conflict, the level of participation that is appropriate in any conflict decision, and the specific details of when a board member should or should not vote.

2. *Disclosure of conflicting organizational interests.* Some board members serve more than one organization, or may serve a primary organization and be its representative to another coalition group. In such circumstances, board members must disclose the conflicts they have due to their loyalties to another group. These conflicts are most common in the areas of funding, including confidential information about grantmaking groups, donors, and other organizational supporters. The policy should outline the procedure for disclosure and participation in decisions.

3. *Anti-nepotism for board members.* One of the most troublesome aspects of conflict of interest revolves around hiring persons related to board members. If the policy states that the hiring of a person related to a board member requires a vote of the board, it should also prohibit the board member from participating in the discussion or voting. If hiring is a staff decision, the policy should require disclosure of the anticipated hiring to the board and approval by the board (absent the involvement and vote of the related board member) before the hiring occurs.

CONFLICT OF INTEREST (CONTINUED)

4. ***Compensation for hiring board members.*** In some circumstances, organizations will be faced with the prospect of hiring a board member or a board member's employer, family member or related party. The conflict of interest policy must outline the policy for business transactions in these circumstances, and the procedures to be followed. These transactions are often open to the greatest scrutiny, so the organization might choose to prohibit certain transactions, or set up special procedures such as a bidding process.

   It is very important to remember that the critical decision in this conflict of interest situation is "What is the best interest of the organization?" In some circumstances, the interest of the organization is best served by hiring a board member to complete a specific task. Managing the fairness of the procedure and the public perception of the decision may be the most important considerations.

5. ***Reimbursing board members for expenses.*** Separate from the decision to hire board members to fulfill specific tasks is the policy for reimbursing board members for expenses they incur on behalf of the organization. While such expenses are tax deductible, these reimbursements are totally appropriate so long as the expenses are approved in advance and managed by the person responsible for managing other organizational expenses (usually the executive director or treasurer).

6. ***Board members use of organizational property.*** The conflict of interest policy should also state that board members may not be granted special privileges for the use of the property owned or managed by the organization unless it is directly related to supporting the organization. For example, use of a facility for a personal gathering that is otherwise not available to the public is inappropriate. However, if the purpose of the gathering is to generate financial support for the organization, it may be warranted.

7. ***Gifts and gratuities for board members.*** The policy should specify the circumstances of board members accepting gifts or gratuities from individuals or corporations doing business or seeking to do business with the organization. Such gifts, if agreed upon by the board, should be restricted to gifts of nominal value, and must be disclosed immediately to the rest of the board.

8. ***Political activities of board members.*** Given the IRS restrictions on public charities participating in political activities, the organization is well served to restrict board members from using the organization for political purposes. The conflict of interest policy can specifically prohibit the use of the nonprofit's name, facilities and property for personal or partisan electoral activities.

THE PRUDENT DIRECTOR'S CHECK LIST

1. Make sure your organization's mission is clear, and that the mission is followed.

2. Attend all, or nearly all, meetings of the board or committees of which you are a member.

3. Review by-laws annually to determine that they conform to law and that they incorporate all amendments which have been made through prior resolutions.

4. Make sure by-laws are followed and enforced; use consents to corporate action in lieu of meetings; all directors must sign.

5. Maintain a current membership list for your board and nonprofit organization members.

6. Request that the organization distribute important written materials in advance of board meetings at which action is to be taken.

7. Insist on advance notice to all directors of any major item of business to be acted upon at the next meeting.

8. Read, analyze and understand financial statements, budget proposals and other reports; raise at least one question with respect to each financial document at any meeting called for the purpose of reviewing financial documents; expect solid, businesslike answers from your organization.

9. Question all reports demonstrating inconsistencies, material errors, or other evidence of sloppy work.

10. Seek expert counsel — legal, accounting and otherwise — to supplement board member understanding and experience when dealing with complex issues.

11. Thoroughly review all minutes prepared by the secretary to insure that critical matters, including resolutions and discussions of complicated and controversial topics, have been covered.

12. Adopt a written conflict of interest policy that conforms with state law.

13. Question staff to determine that the IRS is kept advised of all material and substantial changes in the organization.

14. Have the most current articles and by laws of the organization reviewed by competent counsel to ensure that they take full advantage of state law concerning indemnification and protection of board members.

GOVERNANCE VS. MANAGEMENT

The job of the board of directors for a nonprofit organization is simple: **it is responsible for everything.** This includes both governance and management of the organization. Even if it delegates certain responsibilities to the staff or other professionals, it is responsible for ensuring that the resources of the organization are being effectively applied to meet its mission.

Many nonprofits have the luxury to hire staff to help fulfill parts of these responsibilities. Depending on the size of the staff, the board will delegate key functions that are best suited to the full-time attention provided by professionals. It will retain the functions that are reserved for its fundamental fiduciary responsibility, and for which it is best suited. These functions can be divided between the **governing functions** reserved for the board, and the **management functions** often delegated to staff.

The **governing functions** are those that provide the essential direction, resources and structure needed to meet specific needs in the community. These include:

✦ **Strategic Direction** – setting a direction for the organization that reflects community needs.

✦ **Resource Development** – developing financial resources that support program activities.

✦ **Financial Accountability** – managing financial resources that ensure honesty and cost-effectiveness.

✦ **Leadership Development** – developing the human resources that lead the organization today and in the future.

The **management functions** are those that provide the program activities and support to accomplish the goals of the organization. These usually include:
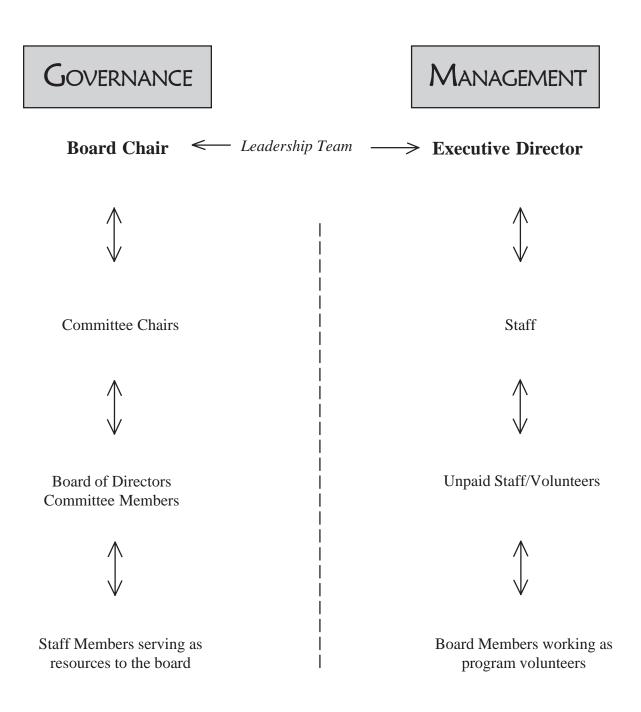
✦ **Program Planning and Implementation** – taking the strategic direction to the next level of detail and putting it into action.

✦ **Administration** – ensuring the effective management of the details behind programs.

For smaller organizations (with less than four paid staff), the board usually delegates only some of the management functions to staff. For larger organizations (with more than four staff members), the board usually delegates nearly all of the management functions. The board should never delegate the governing functions to staff as these represent its core responsibilities to its constituencies and to the general public.
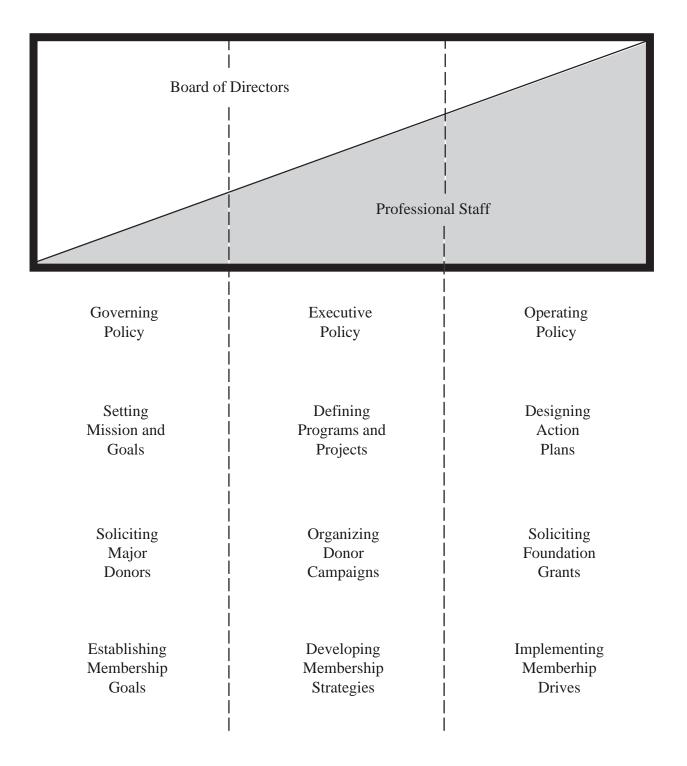
LINES OF AUTHORITY

GOVERNANCE		MANAGEMENT

Board Chair ⟵ *Leadership Team* ⟶ **Executive Director**

Committee Chairs		Staff
Board of Directors Committee Members		Unpaid Staff/Volunteers
Staff Members serving as resources to the board		Board Members working as program volunteers

LEVELS OF INFLUENCE

Board of Directors

Professional Staff

Governing Policy	Executive Policy	Operating Policy
Setting Mission and Goals	Defining Programs and Projects	Designing Action Plans
Soliciting Major Donors	Organizing Donor Campaigns	Soliciting Foundation Grants
Establishing Membership Goals	Developing Membership Strategies	Implementing Memberhip Drives

VOLUNTEER ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

Board President

Executive Committee

| Board Development | Finance | Administration | Resource Development |

Programs

Protection | Stewardship

Education

ONE-STAFF ORGANIZATIONAL STRUCTURE

```
                        BOARD OF DIRECTORS
                                 |
                         Board President
                        /                \
           Executive Committee            Administrator
          /        |        \                   |
    Board       Finance    Resource        Administration
 Development            Development
              Finance    Programs
                         |
                      Protection
                         |
                      Education
                         |
                      Stewardship
```

SMALL STAFF ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

Board President

Executive Committee

Executive Director

Board Development

Resource Development

Administration

Finance

Programs

Protection

Education

Stewardship

MATURE ORGANIZATIONAL STRUCTURE

BOARD OF DIRECTORS

Board President

Executive Committee

Executive Director

Finance

People
*Personnel/
Board Development*

Resource
Development

Programs

Administration

Protection
Team

Stewardship
Team

Education
Team

BOARD FUNDRAISING FUNCTIONS

Fundraising is one of the fundamental responsibilities of the board of directors. In many cases, however, the board will delegate certain functions to staff because of the specific skills and more in-depth knowledge they possess. This does not remove the responsibility from the board, but merely shifts it from a role of implementing key programs to overseeing their implementation.

Regardless of the level of delegation given to staff, the board will always have a key role in the fundraising process. This role draws on the board member's unique position as a community volunteer and leader. Below is a list of activities that board members can do as part of their on-going fundraising responsibilities.

_____ 1. Make a cash donation to the organization that for them represents a "significant contribution." A "significant contribution" could be defined as the largest single donation to a nonprofit group for the year (with the exception of religious contributions). If a board member belongs to more than one nonprofit, the donation should at least be equal to other gifts given to other groups.

_____ 2. Commit to and participate in effective planning efforts that develop both strategic plans and specific fundraising plans. Develop the organizational structure to support planning efforts, including the development of an effective Fundraising Committee.

_____ 3. Personally make requests to funding sources (individuals, foundations and corporations), usually as part of a team supported by staff or another board member. Not every board member is suited for this task, but at least some of the board should have experience asking for money and be prepared to do so for the organization.

_____ 4. Provide support and advice to staff involved in fundraising to help them complete their duties. Remember that in this role, the board member is simply an advisor and volunteer and has no supervisory responsibilities.

_____ 5. Participate in or observe programs to develop a thorough understanding of the specific program objectives and benefits to the community.

_____ 6. Contribute names and/or lists for direct mail acquisition mailings. Sign letters on personal letterhead for solicitations to personal contacts.

_____ 7. Participate in special events and other "friendraising" activities that expand the number of prospects who can be solicited for donations.

_____ 8. Diligently oversee the organization's budget to assure that the needs of the organization are being met. Don't let the financial needs of the organization get lost in the other details of governance.

THE BASICS OF BOARD DEVELOPMENT

Development of the board of directors is the most fundamental activity needed to build and maintain a strong nucleus for a nonprofit organization. It is a responsibility that boards should put near the top of the list of priorities.

The steps in the development of the board are:

- ✦ **Nomination and Recruitment** — the process of identifying the right individual to meet the needs of the organization and convincing her to become part of the organization.

- ✦ **Orientation** — the steps taken to give new board members information on the background, programs, and culture of the organization.

- ✦ **Training** — the regular efforts to build new skills and abilities among existing board members.

- ✦ **Evaluation** — the annual task of evaluating individual board member's contributions to the board, and evaluating the board's contribution to the individual board members.

- ✦ **Recognition** — the on-going process of recognizing work well-done and thanking board members for their commitment and the contributions they make to the organization.

Each of these elements of board development are critical to the organization's success. For this reason, most boards will develop a specific committee responsible for these board development tasks. Often the committee is called the Nominations Committee or Board Development Committee.

These issues and procedures are applicable not only to the development of board members, but also to the development of non-board committee members and other key volunteers.

BOARD PROFILE GRID

Skills and Knowledge

	José	Cynthia	Sam	Walter	Lydia	Dawn	Steven	Lamar
Accounting/Financial Mgt.	✓						✓	
Personnel Management			✓	✓				
Fundraising								
Strategic Planning		✓			✓			✓
Nonprofit Management		✓			✓			
Leadership				✓				
Public Relations/Publications		✓	✓					
Meeting Skills			✓		✓			
Legal Issues	✓							✓
Education						✓		
Biology/Site Ecology						✓		
Grassroots Organizing		✓						
Real Estate	✓							✓

Contacts and Influence

	José	Cynthia	Sam	Walter	Lydia	Dawn	Steven	Lamar
Business Community	✓				✓			
Media			✓					
Government Agencies								
Ethnic/Minority Groups	✓					✓		✓
Conservation Organizations		✓			✓			
Native American Tribes						✓		

Demographics

	José	Cynthia	Sam	Walter	Lydia	Dawn	Steven	Lamar
Female		✓			✓	✓		
Under 45 years	✓	✓	✓		✓	✓	✓	✓
Ethnic/Cultural Minority			✓			✓		✓
Rural Oregon		✓			✓		✓	
Low income	✓			✓	✓			

BOARD PROFILE GRID

Skills and Knowledge								

Contacts and Influence								

Demographics								

BOARD ORIENTATION/TRAINING PROGRAM

I.   Recruitment Stage

1. Introduce the prospect to the agency and its goals at an initial meeting with a recruiting board member and the executive director. Have the recruiting board member pitch the organization and the positive aspects of board membership. At that time, give the prospect an information packet that includes at least the following information:

    ✦   An overview of the organization's purposes, major programs, funding sources, etc.

    ✦   A list of expectations of prospective members -- meetings, committee assignments, tenure, and time commitment.

    ✦   A list of current board members and key volunteers.

    ✦   Copy of bylaws and last annual audit of agency.

2. Schedule a visit to the agency by the prospective member to see programs in action or to talk with program staff.

3. Invite the prospect to attend a board meeting to get an idea of how the organization makes decisions and delegates responsibilities.

II.   New Member Orientation

1. Schedule a meeting between the new board member and key people in the organization. Provide a detailed Board Member Manual, which should include bylaws, articles of incorporation, program descriptions, current budget, last audited financial statements, list of board members and their addresses, lists of committee and staff assignments, copies of minutes for the previous year, and a copy of the strategic or long-range plan.

2. At first meeting, introduce new member to all current board members and staff. Consider assigning a "mentor" board member to work with the new board member through the first three months. Also, make committee assignment.

ORIENTATION/TRAINING PROGRAM (CONTINUED)

III. During First Three Months

1. Have regular check-ins with board "mentor" to answer questions and help member become acquainted.

2. Assign a specific committee task as part of regular implementation process.

3. Continue orientation to the work of the specific committee.

4. Continue to provide written background material to answer questions.

IV. Ongoing Training

1. Consult with appropriate committee chair and staff to obtain full involvement of new member.

2. Provide assistance in carrying out responsibilities.

3. Provide opportunities for board members to attend special workshops related to the assignments and interest of the member. Provide special leadership training to current and prospective officers.

4. Expand responsibilities and rotate committee assignments to help satisfy the interests and needs of the board member.   This has the added advantage of providing continuous development of volunteer leaders for the organization.

JOB DESCRIPTION: BOARD MEMBER

Responsibilities

The board as a whole has the responsibility for governing the entire organization. The board is responsible for determining agency policy in the following areas: Human Resources, Planning, Finance, Development, Community Relations and Operations.

Board members share responsibilities in these key areas:

Leadership/Human Resources
1. Board membership, which includes recruiting and orienting new board members, training, evaluating and recognizing existing board members and providing board members with opportunities to grow and develop as leaders.
2. Selecting and supporting the Executive Director, including reviewing performance regularly and providing on-going assistance as requested by the Executive Director.
3. Personnel policies, which include setting policy regarding salaries, benefits and grievance procedures.
4. Volunteer involvement, which includes setting policy regarding how the organization treats, recognizes and celebrates its volunteers.

Strategic Planning
1. Set and review the organization's mission and goals on an annual basis.
2. Plan for the organization's future, on a long-term and short-term basis.
3. Decide and plan which projects and programs the organization will provide.
4. Evaluate the organization's programs and operations on a regular basis.

Financial Management
1. Ensure financial accountability of the organization.
2. Oversee an ongoing process of budget development, approval and review.
3. Manage and maintain properties and investments the organization possesses.

Resource Development
1. Ensure adequate resources to achieve the organization's mission and implement the organization's programs and projects.
2. Participate in fundraising activities based on the individual's skills and background.

JOB DESCRIPTION: BOARD MEMBER (CONTINUED)

Community Relations
1. Ensure that the organization's programs and services appropriately address community/constituents needs.
2. Promote the organization to the general public, including serving as an emissary of the organization to the community.
3. Promote cooperative action with other organizations, including activities and occasions when the organization should take part in coalitions, joint fundraising, etc.

Operations
1. Ensure that the organization's administrative systems are adequate and appropriate.
2. Ensure that the board's operations are adequate and appropriate.
3. Ensure that the organizational and legal structure are adequate and appropriate.
4. Ensure that the organization and its board members meet all applicable legal requirements.

Requirements for Board Service
- ✦ A demonstrated interest in the organization's mission and goals.
- ✦ Specific experience and/or knowledge in at least one area: Human Resources, Planning, Finance, Development, Community Relations, or Operations.
- ✦ Representative of a key aspect or segment of the population of the community.
- ✦ A willingness to expand knowledge or board responsibilities through orientation and ongoing training.
- ✦ A willingness to represent the organization to the community.
- ✦ Six to ten hours per month, distributed approximately as follows:

3-4 hours	Board meetings (preparation and attendance)
2-3 hours	Committee meetings (preparation and attendance)
1-3 hours	Special requests

- ✦ A willingness to participate in board fundraising activities and make a financial contribution to the organization to the best of one's ability.

JOB DESCRIPTION: BOARD CHAIR

Responsibilities
Provide leadership to the volunteer board in determining that the board meets all responsibilities.
Serves as chief spokesperson in all board matters. Promotes agency activities aimed at achieving its
goals.

Human Resources

> **Board Leadership** -- Appoints, subject to ratification of the board, standing committee
> chairs and such special committees as may be deemed necessary to expedite the goals of the
> agency. Directs the board in the fulfillment of its stated roles. Presides in regular and special
> meetings of the board and its executive committee.

> **Leadership Development** -- Promotes the development of selected volunteers to assume
> future key leadership roles in the agency and assists current agency leadership in identifying
> key persons in the community who should be recruited to assist the agency.

> **Supervision** -- Supervises the executive director, assuring that the internal operations of the
> agency are conducted effectively and with maximum efficiency toward achieving its stated
> objectives. Supervises standing committee chairs to assure that their stated functions are
> being performed.

Planning

> Oversees the planning and goal-setting process for the agency and ensures that the committees
> of the board and staff members work cooperatively so that the planning functions can be
> accomplished. Ensures that personnel evaluations take place for board and staff, as well as
> program evaluations.

Finance

> Appoints finance committee and monitors the fiscal policy development and management of
> the agency.

Community Relations

> Serves as official spokesperson to the public on all board matters, and ensures that the public
> relations efforts of the organization are clearly maintained.

JOB DESCRIPTION: BOARD CHAIR (CONTINUED)

Organizational Operations

> Ensures that board committee structure functions well and that the staff structure is appropriate for the management of the agency. Monitors legal accountability processes of the agency.

Minimal Job Requirements

✦ Demonstrated commitment to goals and objectives of the agency. Record of support for the agency by representing the community and by contributing both financially and with time.

✦ Demonstrated community leadership which will enhance the agency's image in the general community.

✦ Record of experience as a volunteer leader with responsibility in one or more major functions of the agency.

✦ Willingness to expand knowledge and board responsibilities and chair responsibilities through ongoing training.

✦ Willingness and ability to represent the agency in the community.

✦ Six to fifteen hours per month to contribute as leader of the organization.

JOB DESCRIPTION: EXECUTIVE DIRECTOR

RESPONSIBILITIES

Plans for and administers a program providing service to clients in accordance with the agency's stated purpose and in such a manner that optimum results are achieved in relation to the resources of the agency; operates under the general direction of the agency's board of directors.

Human Resources -- The executive director relates both to the board of directors and to the staff of the agency.

✦ *Board of Director*s -- Develops and recommends to the board of directors specific, written, long- and short-range plans for the development of agency programs and services. Maintains appropriate relations with the board and various board committees, and keeps them informed. Interprets trends in the field(s) of service in which the agency is engaged, by maintaining involvement in the professional field as a whole. Participates in an orientation and training program for the board.

✦ *Staff* -- Supervises and directs key staff in the performance of their duties, evaluates the performance of key staff members, and provides overall control and direction for the personnel function of the agency, including active participation in or approval of personnel actions. Manages volunteer staff activities.

Planning -- Evaluates the services being provided by the agency in relation to specified goals and standards, and recommends modifications, where appropriate. Recommends and/or provides input on proposed new programs.

Finance -- Prepares agency budgets related to physical, financial, and human resources, and is accountable for control of these resources once approved. Directs all financial operations of the agency. Participates in fundraising activities by writing letters, making speeches, and stimulating activities of others in direct fundraising, and may provide overall direction.

Executive Director (Continued)

Community Relations -- The executive director handles public relations activities, client relations, and interagency relations functions.

✦ *Public Relations* -- Interprets the function of the agency to the community through direct involvement and through public relations programs, including personal contact, descriptive program literature, and work with the media; works closely with the board for an effective division of labor.

✦ *Client Relations* -- Acts to maintain highly effective client relations under all agency programs.

✦ *Interagency Relations* -- Maintains appropriate relations with other professional and social service groups in the community and serves on appropriate community committees. Provides coordination with funding sources; federal, state and local government units; and other agencies in similar fields of service.

Organizational Operations -- Recommends policies to the board and/or assists in the formulation of effective policies by the board. Has chief administrative responsibility for public accountability of the agency, maintenance of agency facilities, and regular reporting to various bodies. Carries chief staff responsibility to ensure that legal obligations of the agency are met.

Minimal Job Requirements

✦ **Education:** B.A. or B.S. degree in Communications, Public Administration or similar field. M.A./M.S. preferred.
✦ **Experience:** Three years of supervisory or managerial experience with nonprofit organization. Experience working with conservation issues preferred.
✦ **Skills:** Ability to work effectively with volunteer boards and committees; ability to plan, monitor, and evaluate budgets; ability to manage people; ability to organize, plan and implement activities appropriate to further organizational goals.

BOARD MEMBER AGREEMENT

As a board member, I have certain expectations about my involvement with this board. These expectations include both what I want to give and what I want to get back in return.

What I Expect from the Board
I want to serve on this board because:

The things I expect to enjoy the most about being on this board are:

The things I expect to enjoy the least are:

There are certain personal or professional goals that my involvement in this group can help satisfy. The areas where I want to grow are:

I expect the following from this organization:
- ✦ Clearly defined roles and responsibilities for board and staff members, including clear lines of authority.
- ✦ Orientation and training necessary to enhance my effectiveness as a board member.
- ✦ Materials provided in advance of meetings where decisions or deliberation will occur.
- ✦ Timely and accurate financial reporting.
- ✦ Appropriate use of committees to assure efficient use of board and staff time.

BOARD MEMBER AGREEMENT (CONTINUED)

I also recognize that this board has certain expectations of its members. It is as important for the board to get what it needs from me as it is for me to get what I need from the board.

What the Board Expects from Me

As a board (or committee) member, I believe that I bring the following strengths, skills and knowledge to this organization:

I am willing to serve this organization in the following areas:

I accept responsibility for ALL of the following:

Time Commitment:
✦ Attend board orientation and training sessions
✦ Attend board meetings, committee meetings and membership meetings
✦ Complete assignments and prepare for meetings

Participation:
✦ Participate in board fundraising activities and make a financial contribution to the organization to the best of my ability.
✦ Participate in meetings and ask appropriate questions when needed
✦ Serve on at least one committee as a part of my board role
✦ Participate in the on-going tasks of the board
✦ Act as an advocate for the organization to the outside public

Knowledge and Preparation:
✦ Educate myself on the organization's purpose, history and needs
✦ Keep current on the outside trends affecting this organization
✦ Keep current on the role and responsibility of board involvement.

I have read and agree to this commitment as a member of the board of directors.

Signature _____ Date _____

RUNNING EFFECTIVE BOARD MEETINGS

Purpose of a Board Meeting
- ✦ Inform, convince, or inspire directors

- ✦ Resolve conflicts between persons and factions and lead to appropriate decisions

- ✦ Allow debate on significant issues and strategic directions

- ✦ Coordinate people and activities

- ✦ Create common understanding and common purpose

Do's and Don'ts for the Board Chair
- ✦ Do ask yourself before every meeting "what do we need to accomplish at this meeting?" Refer to the previous meeting's minutes. Construct the agenda and conduct the meeting accordingly.

- ✦ Do develop an agenda with the executive director. The agenda should have times and a person responsible for each agenda item. Also each agenda item should be marked to indicate whether its purpose is informational, for discussion, or for a decision/action.

- ✦ Do Not clutter the agenda with minor issues or committee or staff reports that are unrelated to significant topics for discussion or decision.

- ✦ Do make sure the agenda and supporting documentation is distributed by mail or fax at least three days before the meeting.

- ✦ Do make sure directors have the information in advance that they will need to make decisions.

- ✦ Do Not make decisions based on information distributed at a meeting. If the information is not available until the day of the meeting, reschedule consideration of the agenda item for a subsequent meeting.

- ✦ Do make sure the board packet (information backing up the agenda) contains information that is concise, accurate, and timely. Where a decision will be made, a summary of the relevant information should be provided highlighting the key points and the recommendations of the executive director and/or the committee.

EFFECTIVE BOARD MEETINGS (CONTINUED)

✦ Do make sure the room is comfortable and well lit and that water and coffee or tea are provided.

✦ Do make sure the seating plan facilitates interaction among directors. A broad rectangle, with all directors facing in, is preferred.

✦ Do make sure the Executive Director is sitting next to you.

✦ Do make sure someone is taking minutes.

✦ Do start on time.

✦ Do review the agenda briefly and point out what needs to be accomplished at this meeting.

✦ Do stick to the time schedule, but be flexible enough to deviate if circumstances dictate.

✦ Do take a minute to acknowledge special events or special individual accomplishments that have occurred since the last meeting.

✦ Do Not talk too much. Your role is to be a neutral presider over the meeting process, to encourage full participation and teamwork, to prevent domination by a few, to make sure everyone understands the issues at hand, to help frame issues and bring them to resolution, to help crystallize consensus, to determine when it's time to bring an issue to vote or refer it to committee or seek additional information, to deflect tangents and stay on focus, to pay attention to the agenda and the clock.

✦ Do practice using the following techniques for encouraging discussion:
How do you feel about that? Let me see if I understand your position, you are saying... Can you clarify that? Can you give an example? Let's give Tim a chance to explain... Sally, you haven't said so, but I think you agree... I'm concerned that we are not hearing from everybody on the committee. How do you feel, Lisa? If this doesn't work, what will we lose?

✦ Do make sure that decisions or assignments made are reflected in the minutes. Confirm
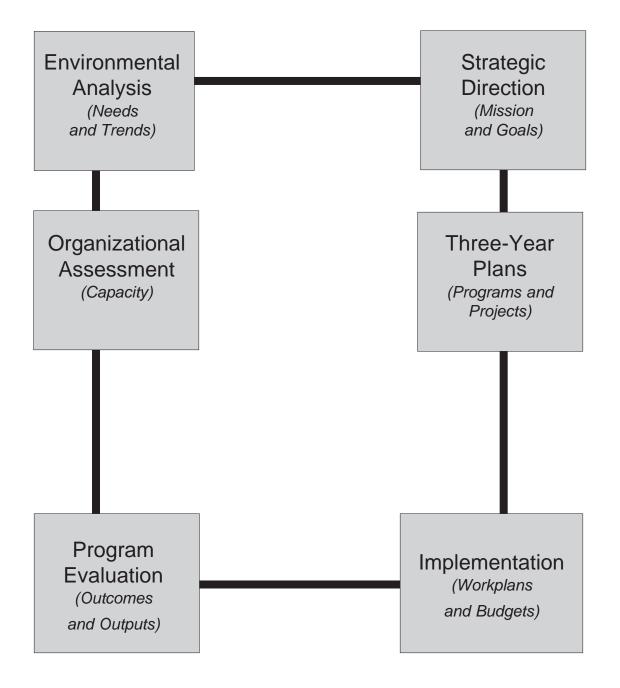
EFFECTIVE BOARD MEETINGS (CONTINUED)

with the recorder that he/she has written down the appropriate information.

✦ Do Not schedule a meeting to last more than two hours.

✦ Do summarize at the end of the meeting what has been accomplished and what assignments have been made. Also, thank directors for their participation.

✦ Do ask directors to evaluate meetings twice a year, in writing and anonymously. The key question is: "Was this board meeting a good use of your time?"

THE PLANNING CYCLE

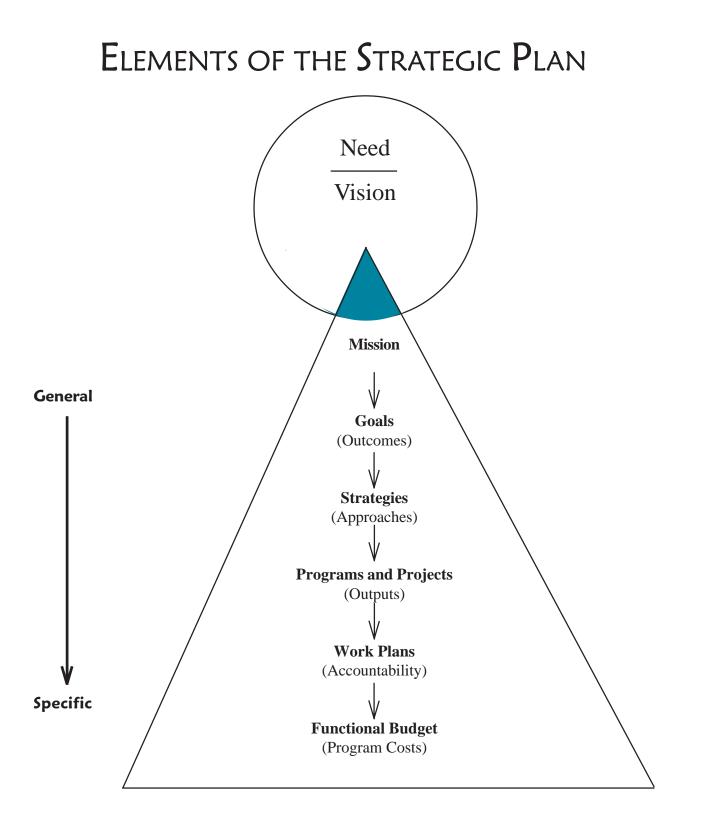|	
Environmental Analysis *(Needs and Trends)*	**Strategic Direction** *(Mission and Goals)*
Organizational Assessment *(Capacity)*	**Three-Year Plans** *(Programs and Projects)*
Program Evaluation *(Outcomes and Outputs)*	**Implementation** *(Workplans and Budgets)*

The Annual Board Cycle

Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan

Nominating Cycle

Term begins	Recruitment/fill vacancies *(On-going)*	Review board criteria	Recruit/orient prospects	Elect new members	Term begins

Planning Cycle

Begin program year	Implement/monitor programs *(On-going)*	Program evaluation	Planning Retreat	Plans/ budgets	Approve plan

July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul

Nominating Cycle

Board Members begin term	Recruitment/fill vacancies *(On-going)*	Review board criteria	Recruit/orient prospects	Elect new members	Term begins

Planning Cycle

Begin program year	Implement/monitor programs *(On-going)*	Program evaluation	Planning Retreat	Plans/ budgets	Approve plan

ELEMENTS OF THE STRATEGIC PLAN

$$\frac{\text{Need}}{\text{Vision}}$$

Mission

↓

Goals
(Outcomes)

↓

Strategies
(Approaches)

↓

Programs and Projects
(Outputs)

↓

Work Plans
(Accountability)

↓

Functional Budget
(Program Costs)

General

↓

Specific

PLANNING TERMINOLOGY

Values: principles or beliefs that guide individual or organizational thinking, actions, and decisions

Culture: common set of beliefs held by an organization that affects organizational behavior

Vision: the ideal to be achieved through fulfillment of an organization's mission. What the the community will look like when the organization has completely fulfilled its mission.

Mission: a definition of the purpose, niche and core business activity for the organization. Defines the specific piece of the vision that the organization will address. Also answers what the organization does not do. Distinguishes the group from any other similar organization in some way. Questions answered by the mission include:

- ✦ What social or political needs does the organization exist to fill?
- ✦ Why does it exist?
- ✦ How is the organization unique?
- ✦ What is the scope of the organization? programs? geography?
- ✦ Who are the organization's clients?
- ✦ The mission should: clarify, focus, commit, communicate, market

Goals: broad statements about the outcomes or results we seek. Can include both programmatic outcomes (what results we seek in the community) and organizational outcomes (what results we seek within the organization)

Strategies: overarching approaches that define how the organization will achieve the goals outlined in the plan. Strategies, unlike tactics, are very "big picture" in their orientation, and provide the potential for the best thinking in the entire plan.
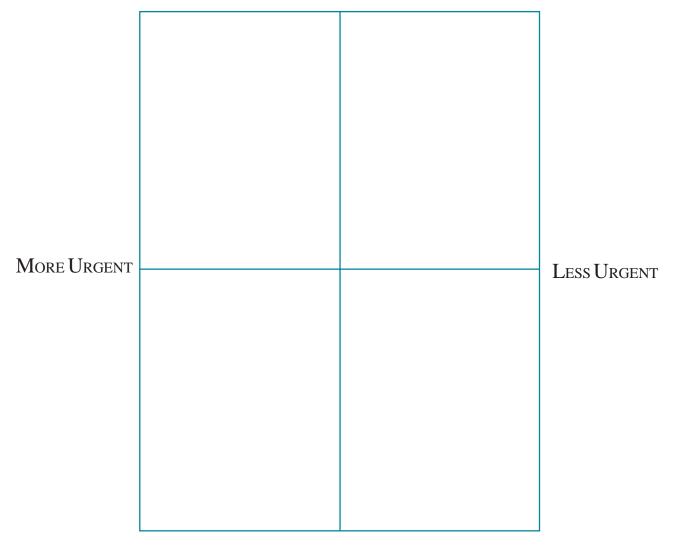
Objectives: specific, time-limited, quantifiable accomplishments that fulfill goals. Often, these are the performance measurements for a variety of facets of a particular strategy.

Activities: The programs and/or projects implemented by the group to suppor the strategies and acheive the objectives of the plan. Usually defined in terms of three years or less. Can be broken down over a period of time to show how the program/project will evolve with the plan.

WHERE DO YOU SPEND YOUR TIME?

MORE IMPORTANT

MORE URGENT

LESS URGENT

LESS IMPORTANT

SAMPLE WORK PLAN

Business Membership Work Plan   *(Bill Bracken, Project Coordinator)*

Task	Who	J	A	S	O	N	D	J	F	M	A	M	J
Set project goals	Bill		■										
Create membership policies	Bill		■										
Select themes	Bill		■										
Research prospects	Thom		■	■			■						
Target businesses	Pete		■	■									
Assign solicitors	Jim			■	■		■						
Create materials	Sidnee	■	■	■									
Solicitor orientation	Marc			■									
Mail letters	Thom				■				■				
Personal contacts	Bill					■	■		■	■			
Corporate grant applications	Thom					■			■				
Update prospect list	Thom						■				■		
Evaluate project	Bill						■				■		
Thank members	Jim							■			■		

BLANK WORK PLAN

Project:

Task	Who	J	F	M	A	M	J	J	A	S	O	N	D

STEPS FOR DEVELOPING WORK PLANS

1. Read through all of the goals and objectives developed as part of the retreat. Try to determine which goal the project would fit under. Make sure that the project you are planning is not duplicated somewhere else in the list. If there is a similar project, try to understand exactly what the difference is. Can the other project be included as part of the steps of this project? If yes, try to integrate that project into the work plan.

2. Look closely at the specific wording of the project. Does it fit the criteria established at the retreat for objectives — is it measurable, fundamental, attainable? If necessary, rewrite the statement to fit these criteria.

3. Get a general idea of the scope of the project before you begin the work plan. Is this clearly one of the top priority projects for your organization, and as such requires as much time as is necessary to complete the project? Or is it one of many priorities that must share equally for the organization's resources? Get a clear idea in your own mind about the size and scope of the project.

4. Make a list of all of the necessary tasks required to complete the project. List them all. Don't use general descriptions — be very specific. Each step should be an individual task, something that you could assign to someone all by itself and could be completed. Combine tasks that clearly can fit into one description, and will be done by one person. Break out all of the others.
    Example for a newsletter work plan:

Well defined tasks:	"Assign articles to writers"
	"Write articles"
Poorly defined tasks:	"Get articles"
	"Put together newsletter"

5. List all of the tasks on a copy of a blank work plan. Use several sheets if necessary. Put the tasks down according to their logical sequence.

6. Assign responsibility for all of the tasks to an individual person. In several cases, more than one person will actually be involved on the project, but only one person can be the task coordinator. Contact people who have shown an interest in the project to see if they are interested in helping on that particular task. Give them a general idea of the task responsibilities and timing. If you do not know of someone willing to accept responsibility for the task, leave it blank.

WORK PLANS (CONTINUED)

7. Figure out approximately when the task will need to be completed. In many cases, this step is best accomplished starting from the last task and moving to the first. Juggle these times according to holidays and other key events.

8. Identify which tasks are going to require money. If possible, estimate the cost of the task. If you are unable to determine the specific costs for the project, note that it will require money somewhere on the worksheet.

9. Look at the entire work plan and give it a reality check. Is this everything? Is this realistic? What are the chances of this project happening according to the work plan? What possible problems or situations might change the work plan, and how likely is it that the change will be necessary? How can you adjust the work plan to make it more workable and realistic?

10. Give the work plan to someone who has not seen the project before. Do they understand it? Does it clearly explain what is going to be done, and how? Incorporate any suggested changes into the work plan.

11. Submit the work plan to the committee for their review. The projects should be reviewed to see that they are consistent with the committee's purpose, and compatible with the other projects developed within the committee. All suggestions that can make the projects more effective should be incorporated into the plans.

FUNCTIONAL BUDGET WORK SHEET

Task/Activity	Direct Costs	Indirect Costs	Staff Time x Rate = Staff Cost			TOTAL
TOTAL PROJECT COST						

SUPPORTING PLANS

```
                    ┌─────────────────────────────┐
                    │      Strategic Plan         │
                    │   Including Committee and    │
                    │    Staff Program Plans       │
                    └─────────────────────────────┘

  ┌──────────────┐      ┌──────────────┐      ┌──────────────┐
  │  Community   │      │Land Management│     │ Fundraising  │
  │ Outreach Plan│      │     Plan      │     │    Plan      │
  └──────────────┘      └──────────────┘      └──────────────┘

        ┌──────────────┐      ┌──────────────┐
        │Financial Mgt.│      │    Board     │
        │     Plan     │      │Development Plan│
        └──────────────┘      └──────────────┘
```

COMMITTEE OVERVIEW

General Principles of Committees

> *Form Follows Function* -- Decide on the work to be done (function), then determine your committees (form)

> *Committees do work; boards make decisions*
> ✦ Use the committees to investigate issues, explore options, develop recommendations
> ✦ Use the board to make policies and approve plans based on background work of committees

> *Committees come in two flavors:*
> ✦ Standing -- permanent committees focused on on-going functions
> ✦ Ad hoc -- temporary committees focused on a short-term task or issue

To function well, all committees need:

> 1. Mandate -- a clear understanding of what the job is
> 2. Leadership -- a committee chair to lead and support the committee
> 3. Membership -- people to serve on the committee, including board and non-board members
> 4. Work plans -- a clear set of project and tasks to guide its work

Committees are formed related to the responsibilities of governance and management

> ✦ Governing committees are based on the board's governing resposibilities
> ✦ Management committees are based on the program responsibilities delegated to staff

Who may serve on committees?

> ✦ Governing committees include board members and other non-board volunteers focused on governing functions. The board chair is an ex-officio member of all committees and is free to attend meetings but not obligated
> ✦ Management committees include paid and unpaid staff (program volunteers) focused on program functions. The executive director is ex-officio member of all management committees and is free to attend but is not obligated

Possible Committees

> ✦ Governing Committees: Board Development, Resource Development, Finance, Executive
> ✦ Management Committees: Education, Public Relations, Membership, Advocacy

POSSIBLE COMMITTEES FUNCTIONS

Executive Committee

Chair:	President of the Board
Members:	President
	Vice President
	Secretary
	Treasurer
	Committee Chairs
Functions:	Organizational structure
	Board operations
	Coordinating and tracking committee projects
	Agency administration, including supervising Executive Director
	Legal requirements for maintaining nonprofit status
	Policy recommendations to full board

Personnel Committee

Chair:	Board Member
Functions:	Personnel policies
	Hiring and evaluating the Executive Director

Finance Committee

Chair:	Board Member
Functions:	Financial accountability
	Budgeting process
	Property management
	Investments
	Financial audits

Fundraising Committee

Chair:	Board member
Functions:	Fundraising plan
	Special events
	Capital campaigns
	Other resource development

COMMITTEE FUNCTIONS (CONTINUED)

Marketing/Public Relations Committee

Chair:	Board Member
Functions:	Marketing research
	Marketing plan
	Public relations plan
	Public relations tools and materials

Membership Committee (membership to the organization)

Chair:	Board Member
Function:	Membership policies, goals and activities
	Membership materials
	Membership recruitment programs

Planning/Evaluation Committee

Chair:	Vice President or President-elect
Functions:	Mission/philosophy
	Strategic Plan
	Work plans
	Program Evaluation

Board Development Committee (membership to the Board)

Chair:	Board Member
Function:	Develop board member criteria
	Complete board profile
	Develop recruiting, orientation, training and evaluation materials
	Recruit potential members
	Provide orientation and training for board members
	Coordinate board evaluation process
	Provide board recognition activities
	Coordinate board social activities

THE ESSENTIALS OF FUNDRAISING

Fundraising is one of the most misunderstood elements of nonprofit management. The myths and misconceptions around fundraising extend beyond the reality of what is important and what works. To understand fundraising, it is important to understand some very basic principles.

1. **People don't give money away; people invest in their "community."** Showing people how your organization can bring change to the community (to which the donor belongs) is a critical step to convincing her that she should "invest" her dollars. The strategic plan may be an important tool to show that your organization is a good investment.

2. **The most important fundraising resource for an organization is a strong base of donors.** In the early years, this base will not bring in a tremendous amount of money. Over time, however, a strong base will be critical to efforts to develop major donors, corporate and foundation contacts, and planned gifts.

    A broad donor base is also critical to other important aspects of the organization's programming. An organization that speaks for thousands carries more clout and influence than a group that represents dozens.

3. **Success in fundraising comes to those who ASK.** It's simple, it's obvious, but it's true.

4. **The total amount of money raised may be less important than amount of unrestricted money raised.** Restricted dollars will be important to drive the programs they fund. But unrestricted funds give the organization the ability to pay for the "unsexy" things that are critical to overall program effectiveness. They also give the organization flexibility to respond to issues that are consistent to the mission instead of chasing funds that may not be germane. This is another reason why individual donors are such a valuable resource.

5. **People give to people who have given.** The more personal the solicitation, the greater the success. The more connected the solicitor is to the prospect, the better the chances of the gift. If a person asking for money has not given herself, the prospect will be less likely to give.

6. **Fundraising stability depends directly on the diversity of funding sources.** An organization that depends on a government contract for 75% of its funding is subject to a massive fall if the funding should be eliminated. An organization that has no more than 20% of its funding from any single source ensures that individual decisions will not globally affect the organization's success.

7. **When considering making a donation, timing may be more important than any other factor.** Discretionary income is one of the most significant elements in deciding whether to give or not. For most folks, how much money a person has to give varies on a monthly, rather than yearly, basis.
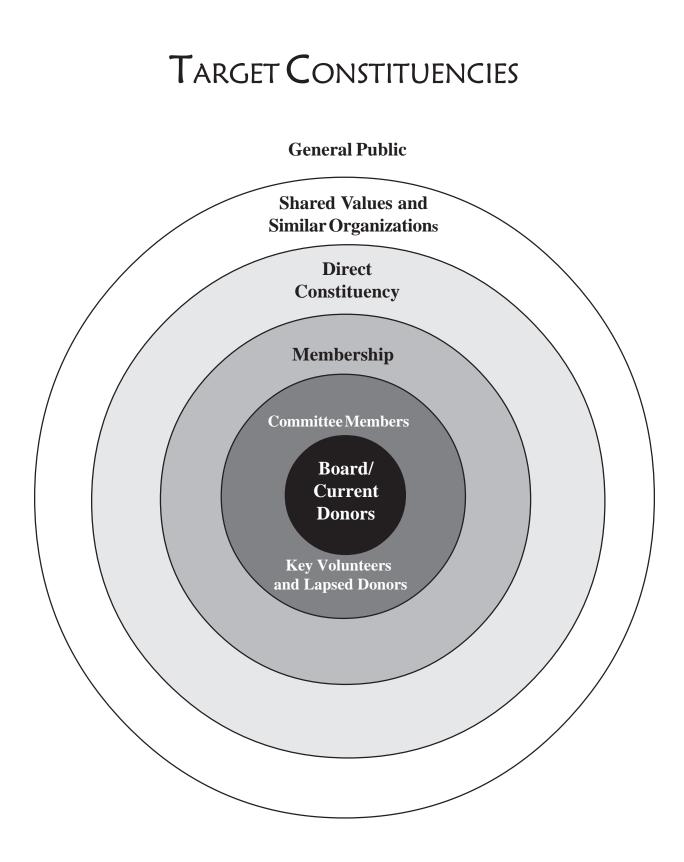
WHO IS A PROSPECT?

For someone to qualify as a prospect they must meet the following requirements:

A = **Ability** to give a substantial gift

B = **Belief** in your work or similar work

C = **Contact** with your organization or with someone who knows about your organization (the closer the better)

TARGET CONSTITUENCIES

General Public

**Shared Values and
Similar Organizations**

**Direct
Constituency**

Membership

Committee Members

**Board/
Current
Donors**

**Key Volunteers
and Lapsed Donors**

WHO GIVES?

75 - 85% of gifts come from 30% of donors

**60%
of gifts come
from 10% of do-
nors**

**15 - 25% of gifts
come from 20% of donors**

15 - 25% of gifts come from 70% of donors
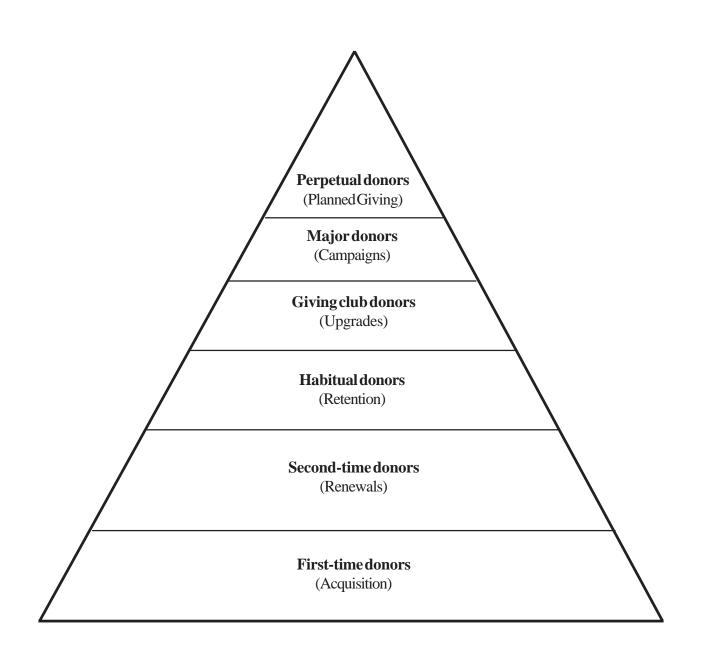
LADDER OF EFFECTIVENESS

The more personal the solicitation, the greater its chances of success. However, more personal solicitations require more organizational resources. Balancing these factors is important in determining your overall fundraising strategy. The following methods of solicitations are ranked in order of their effectiveness.

	% of prospects who will give
1. Personal face-to-face solicitation	50%
2. Personal Phone Call	25%
3. Personal Letter	15%
4. Phone-a-thon	10%
5. Direct Mail	1 - 3%

DONOR PYRAMID

Perpetual donors
(Planned Giving)

Major donors
(Campaigns)

Giving club donors
(Upgrades)

Habitual donors
(Retention)

Second-time donors
(Renewals)

First-time donors
(Acquisition)

ASSESSING FUNDRAISING READINESS

Before kicking off any fundraising campaign it is important to assess your organizational readiness. What follows is a check list of items that should be addressed and/or secured before you enter into any grassroots fundraising project.

____ 1. A clear organizational **mission**.

____ 2. A **strategic plan** that addresses what you hope to accomplish as an organization (in broad terms) and how you plan to accomplish it (in specific activities for the coming year). It should be clear how your annual plan relates to your strategic direction.

____ 3. A **case statement** including a brief organizational history and a description of the problem you are addressing, how you are addressing it and why your organization is the proper vehicle to carry out the work.

____ 4. A specific **action plan** for how you are going to run the campaign, including timelines and responsibilities for implementing the tasks of the campaign.

____ 5. A current **501(c)3 letter**.

____ 6. A current **list of your Board of Directors** with their affiliations.

____ 7. An updated house **mailing list** and/or information on what other lists might be available and appropriate for your organization's use.

____ 8. A current and projected **budget** and your most recent financial report.

____ 9. A strong **cadre of volunteers** committed and trained to solicit contributions and follow-up on donor contacts.

____ 10. The **involvement and commitment of the entire organization** to actively fundraise and to integrate fundraising into all the organization's activities.

THE CASE STATEMENT

The case statement is fundamental element of any fundraising campaign. It does for a capital campaign what the membership brocure does for a fundraising program -- communicate directly about the needs, the opportunities and the options. It serves to enlist, inspire and motivate donors to invest in the campaign.

Like all good writing, the cases statement must be clear, concise and correct. It must also be compelling, persuasive and poetic. It conveys a big vision -- puts the big picture in perspective and states the case on why the donor should respond.

The structure of the case statement might try to:

1.   Establish an overall **theme**.

2.   Define the **outcomes** (goals) and **outputs** (activities).

3.   Set a **financial target**.

4.   Establish the **time frame** for the campaign.

5.   Answer the question **"Why?"** Describes the opportunity and the solution.

6.   Convey **urgency** in a "call to action".

7.   Define the **distinctive nature** of your organization (which isn't necessarily unique)
     Mission, organizational history, accomplishments, credibility statements

8.   Describe the **budget**, both for the organization and the project being funded

9.   Describe the **sources of funding**, if clear.

10. Define specific **gift opportunities** (if needed and appropriate)

11. Show as well as tells with strong **graphics.**
     Photos, maps, diagrams, charts, graphs, timelines, quotes

REACHING YOUR FUNDRAISING GOAL

GIFT RANGE CHART

Fundraising Goal = $50,000

Gift Amount	Number of Gifts	Prospect/ Donor Ratio	Number of Prospects	Total
$2,500	2	5:1	10	$5,000
1,500	4	4:1	16	6,000
1,000	7	4:1	29	7,000
500	15	4:1	60	7,500
250	20	3:1	60	5,000
100	20	2:1	80	4,000
50	100	2:1	200	5,000
Under 50	300	-	-	10,500

				$50,000

FUNDRAISING ORIENTATION PACKET

1.   Board of Directors list with affiliations

2.   Staff list with job titles

3.   Case statement

4.   Suggested script

5.   Hard- to-answer questions

6.   Sample letter

7.   Budget - current and projected

8.   Most recent financial statement

9.   Gift range chart for your campaign

10.   List of recent organizational accomplishments

11.   Organizational materials - brochure, annual report, etc.

12.   Recent newspaper articles

13.   Prospect/donor forms

14.   Stationary, response envelopes, thank you notes, etc.

SAMPLE FUNDRAISING PLAN

COLUMBIA LAND TRUST
Fundraising Plan
October 2002

OVERVIEW OF THE FUNDRAISING PLAN

Background

Columbia Land Trust has grown in size and effectiveness at phenomenal rates over the last four years. In 1998, the organization had a single, half-time staff person working within a $50,000 annual budget. In 2002, the Trust filled its ninth staff position, working within an annual operating budget of nearly $700,000.

This growth has been driven by investment grants from a variety of foundations committed to conservation in the lower Columbia River region. The Trust realizes that these grants are not a sustainable source of revenue; their intent was to "prime the pump" of fundraising, enabling the organization to develop long-term, stable funding from individuals, land transactions and other sources.

This plan defines the goals and strategies for building a more stable, self-sufficient funding program. It draws from the direction provided by the five-year strategic plan, and places a layer of reality over the plan by defining the source of funding to support the strategic plan, and specific outcomes, strategies and activities that will provide the necessary revenue. The fundraising plan will always be a broader, general plan, with more specific implementation details developed in the Trust's annual work plan and budget.

Strategic Direction for the Columbia Land Trust
The mission of the Columbia Land Trust is to conserve vital habitat and signature landscapes along with the communities of the Columbia River region. Trusts programs follow three primary goal areas of the strategic plan:

1. Conserve the most important and threatened lands using the tools of private voluntary land conservation.
2. Increase awareness about the benefits of private land conservation and the mission of the Trust.
3. Create an efficient and effective organization capable of protecting and managing lands in perpetuity.

SAMPLE FUNDRAISING PLAN (CONTINUED)

From these goal areas, more specific strategies have been developed. For the purposes of the fundraising plan, the functional areas of the plan have been narrowed to five different programmatic areas, plus an additional reserve fund area:

- **Acquisition** – this includes only the non-capital costs of acquiring land through ownership, easement or pre-acquisition for public ownership. A separate plan for the capital costs of land protection has been developed to complement the strategies outlined in this plan.
- **Stewardship** – this includes the costs of managing lands protected by the Trust – both those lands owned by the Trust and those lands for which the Trust holds a conservation easement.
- **Public Outreach** – this includes the costs of building awareness about the Trust and options for protecting land.
- **Fundraising** – this includes the direct costs of raising money to support all facets of the organization's budget, including some communication that supports Trust "friendraising" efforts.
- **Administration –** this includes the direct costs of administratively supporting all programs within the Trust. Allocation of administrative costs in this plan has been conservative, applying costs to programs only where there is a direct connection to the program area itself. Other budgets of the Trust may be more aggressive in allocating administrative costs to program areas.
- **Reserves –** reserves is an expense area in which the Trust makes investments to become available in times of shortfall or opportunity. It is only an expense area during times when it is not drawing revenue from the reserves to support programs and operations. During the period of this plan, the Trust is intentionally spending from a very large reserve fund designated for operations and program start-up to reflect the emphasis on capacity building. Therefore, no figures are included in this portion of the plan for now.

Sources and Uses of Funds
The funding requirements for the Trust are found in the expense side of the organization's five-year budget. This budget reflects the program priorities established in the planning process. Budget figures for the first year have been defined in great detail and accurately reflect the true costs of implementing the program activities within each function. Future years' budgets estimate expenses using across-the-board increases rather than specific program functional budgets. The overall goal for fundraising is to raise sufficient money to cover the expense in each functional area of the budget over a five-year period.

SAMPLE FUNDRAISING PLAN (CONTINUED)

	2002		2003		2004		2005		2006	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
REVENUE										
Annual Giving	83,528	13%	107,314	15%	120,495	17%	151,548	20%	162,372	20%
Major Donors	200,000	30%	275,000	40%	367,000	51%	400,000	53%	450,000	56%
Grants	225,000	34%	221,500	32%	146,500	20%	121,500	16%	121,500	15%
Fees and Income	8,400	1%	11,050	2%	16,103	2%	16,158	2%	16,216	2%
Interest	17,226	3%	20,434	3%	24,013	3%	26,525	4%	30,536	4%
Reserve draw down	131,717	20%	59,312	9%	50,461	7%	41,867	6%	21,865	3%
TOTAL REVENUE	665,871	100%	694,610	100%	724,571	100%	757,598	100%	802,490	100%
EXPENSE										
Administration	165,816	25%	160,505	23%	162,082	22%	168,510	22%	182,811	23%
Fundraising	206,648	31%	220,528	32%	232,102	32%	245,697	32%	258,052	32%
Public Outreach	111,745	17%	118,296	17%	123,945	17%	129,870	17%	136,085	17%
Operating Acq.	127,245	19%	134,787	19%	141,202	19%	147,928	20%	154,983	19%
Stewardship Reserves	54,417	8%	60,494	9%	65,240	9%	65,593	9%	70,559	9%
TOTAL EXPENSES	665,871	100%	694,610	100%	724,571	100%	757,598	100%	802,490	100%

The expense areas listed above will be covered by a variety of revenue sources. A few of the expense areas will get all of the funding from a single revenue source, but most will combine several streams of revenue to cover the expenses of that program. The appropriate revenues for each program depend on such issues as donor restriction, donor appeal, foundation priorities, existing fundraising strengths and weaknesses, etc. The table below takes the functional expense areas in the previous chart and assigns revenue to them.

	2002		2003		2004		2005		2006	
Non-Capital Acquisition (Operating Acquisition)										
Annual Giving		0%		0%		0%		0%		0%
Major Donors	16,543	13%	36,605	27%	56,629	40%	87,928	59%	94,983	61%
Grants	110,702	87%	98,182	73%	84,573	60%	60,000	41%	60,000	39%
Fees and Income		0%		0%		0%		0%		0%
Interest		0%		0%		0%		0%		0%
Reserve Draw-down		0%		0%		0%		0%		0%
Total Acquisition	**127,245**	**100%**	**134,787**	**100%**	**141,202**	**100%**	**147,928**	**100%**	**154,983**	**100%**
Stewardship										
Annual Giving		0%		0%		0%		0%		0%
Major Donors	54,417	100%	47,974	79%	65,240	100%	34,093	52%	39,059	55%
Grants		0%	12,520	21%		0%	31,500	48%	31,500	45%
Fees and Income		0%		0%		0%		0%		0%
Interest		0%		0%		0%		0%		0%
Reserve Draw-down		0%		0%		0%		0%		0%
Total Stewardship	**54,417**	**100%**	**60,494**	**121%**	**65,250**	**100%**	**65,593**	**148%**	**70,559**	**100%**
Public Outreach										
Annual Giving		0%		0%		0%		0%		0%
Major Donors	69,020	62%	69,359	59%	103,728	84%	99,870	77%	106,085	78%
Grants	42,725	38%	48,937	41%	20,217	16%	30,000	23%	30,000	22%
Fees and Income		0%		0%		0%		0%		0%
Interest		0%		0%		0%		0%		0%
Reserve Draw-down		0%		0%		0%		0%		0%
Total Public Outreach	**111,745**	**100%**	**118,296**	**100%**	**123,945**	**100%**	**129,870**	**100%**	**136,085**	**100%**
Fundraising										
Annual Giving		0%		0%		0%	25,721	10%	26,314	10%
Major Donors	60,020	29%	121,062	55%	141,403	61%	178,109	72%	209,873	81%
Grants	71,573	35%	61,861	28%	41,710	18%		0%		0%
Fees and Income		0%		0%		0%		0%		0%
Interest		0%		0%		0%		0%		0%
Reserve Draw-down	75,055	36%	37,605	17%	48,989	21%	41,867	17%	21,865	8%
Total Fundraising	**206,648**	**100%**	**220,528**	**128%**	**232,102**	**100%**	**245,697**	**100%**	**258,052**	**100%**
Administration										
Annual Giving	83,528	50%	107,314	67%	120,495	74%	125,828	75%	136,059	74%
Major Donors		0%		0%		0%		0%		0%
Grants		0%		0%		0%		0%		0%
Fees and Income	8,400	5%	11,050	7%	16,103	10%	16,158	10%	16,216	9%
Interest	17,226	10%	20,434	13%	24,013	15%	26,525	16%	30,536	17%
Reserve Draw-down	56,662	34%	21,707	14%	1,472	1%		0%		0%
Total Administration	**165,816**	**100%**	**160,505**	**100%**	**162,082**	**100%**	**168,510**	**100%**	**182,811**	**100%**

SAMPLE FUNDRAISING PLAN (CONTINUED)

Description of Fundraising Sources
Columbia Land Trust has developed a diverse fundraising program to meet the needs outlined on these charts. The following activities are included in the current fundraising program.

1. **Memberships and Donations**. Columbia Land Trust has an active membership program to encourage annual giving to the organization. The components of this program include recruitment, renewals and solicitations for additional gifts. The organization has developed a plan to greatly expand and improve this program, with a membership goal of 2,000 active individual members by 2006. Revenues received from membership are treated as totally unrestricted.

2. **Major Donors**. Building on the base of membership support, the Columbia Land Trust has a major donor program to solicit annual contributions of $1,000 or more from our most generous members. The program provides some of the most significant revenue opportunities for the Trust, supporting both annual operations and capital acquisitions. Revenues received through the major donor program are substantially unrestricted, except where designated by the donor for a capital acquisition project or other specific program activity.

3. **Grants.** Many of the programs now underway at Columbia Land Trust are supported through grants from foundations and government agencies. Most of these grants are specific, one-time contributions, with the potential to re-apply for additional funds for other projects. In addition, Columbia Land Trust has solicited major, multi-year grants to build capacity within the organization. These grants usually run a diminishing two- or three-year cycle before funding from memberships and donors are necessary to continue funding. Revenues received from grants are almost always restricted to the area proposed by the Trust and defined by the funder.

4. **Fees/Income.** Columbia Land Trust offers services and sells merchandise that contributes to the organizational revenues. These revenues primarily cover the expenses associated with public relations and land management activities, and do not generate a great deal of net revenue. Revenues received from fees and income are completely unrestricted; however, this revenue is first applied to the costs of the service or merchandise before net benefits are ascribed elsewhere to the organization.

5. **Interest.** Columbia Land Trust invests revenues from campaigns, planned gifts and dedicated contributions into an investment account managed to generate interest income for administration, operations and land stewardship. A complete set of investment policies has been developed to support the investment program. The Board will, from time-to-time, make decisions about reinvesting portions of the interested generated from the investments back into the corpus to build the endowment. Revenue received from interest and other returns on investment are treated as unrestricted revenue to be designated by Board action, unless the original donor of the invested funds had restricted the purpose of investment proceeds as part of her/his gift to the Trust.

SAMPLE FUNDRAISING PLAN (CONTINUED)

6. **Planned Giving.** Columbia Land Trust is just beginning to develop a planned giving program to offer estate-planning options to dedicated supporters. While the program promoting the program is in place now, revenue from this program cannot be expected in the short-term. Realistically, significant benefits from this program may not come to the organization for 10 - 20 years. Therefore, no revenue from this source has been projected in the five-year budget. Revenue received from bequests will likely have restrictions placed on them by the donor. Unrestricted bequests are likely to be designated by the Board for endowment and reserve purposes.

7. **Great Lands, Great Actions Campaign.** The Trust is just undertaking a major campaign to raise $7.5 million from public and private sources to support our land protection efforts on the Long Beach Peninsula. This campaign will take place in 2002 through early 2004. A separate campaign plan has been developed and is being managed by a Campaign Steering Committee.

8. **Reserve Draw Down.** The land trust has raised significant funds to support the building its capacity. These include restricted grants specifically for this purpose, as well as unrestricted funds in anticipation of growth. Consistent with the Trust's philosophy of investing reserves in ways that increase capacity, these funds will be drawn down over the next several years to support building the membership and donor programs. By the end of the campaign, the revenues from these sources should begin replenishing the reserve fund for the next major organizational initiative or cash flow short-fall.

FUNDRAISING DIRECTION

Fundraising Outcomes
The Columbia Land Trust has defined several outcomes that will be accomplished through the implementation of this plan. These outcomes support the strategic plan goal of creating an efficient and effective organization capable of protecting and managing lands in perpetuity.

1. **Diverse revenue sources that minimize reliance on any single source of revenue, especially for non-capital expenses.** For the Trust, it is critical to reduce the percentage of funding coming from foundations to support base operations, and to direct grant funding in the future to start-up and short-term projects.

2. **Stability of funding from all sources.** The work of the Trust is long-term. Stability is vital to ensure the organization can plan and execute its programs over time. In addition, retaining the commitment of current supporters is significantly more effective and efficient than having to build new relationships over and over.

SAMPLE FUNDRAISING PLAN (CONTINUED)

3. **Increased percentage of unrestricted revenue.** Unrestricted revenue is essential for program flexibility and to respond to emerging conservation opportunities and threats. For the Trust, the largest source of unrestricted money comes from annual contributions from individuals. Other entrepreneurial opportunities will also be explred to support development of unrestricted revenue.

4. **The capacity to generate revenue in perpetuity.** The biggest challenge facing the Trust in achieving its mission is the protection of land in perpetuity. To support this, the Trust must build endowments and reserves that continually generate revenue for stewardship and operational commitments made with each land protection project.

5. **Build membership in the Trust to 2006 members by 2006.** The Trust is working hard to increase the membership of the Trust, and seeks a base membership of more than 2000 members during the timeframe of this plan. For the purposes of this outcome, major donors will be considered as members.

Strategies for Growth

The Trust has adopted specific strategies to achieve the outcomes of this plan. These strategies provide an overall approach to Trust fundraising activities. They attempt to bring our most creative and innovative thinking into the effort to raise money.

1. **Emphasize long-term relationships in all efforts to raise funds.** Fundraising success for the Trust will require investment and support from donors and other supporters for generations. Therefore, the Trust must develop programs that build relationships as the cornerstone of fundraising effectiveness. This may require greater investment up-front that reduces net revenue for some programs in the short-term. However, the long-term benefits should far exceed any limitations that come as a result of investing in relationships for the long run.

2. **Invest heavily in capacity-building activities that improve our ability to raise money over time.** The needs and expectations for fundraising in the future far exceed the Trust's ability to raise money today. Therefore, the Trust must increase its capacity for fundraising by investing in the development of its personnel (staff, board members and other volunteers), systems and structure.

3. **Expand the size and functions of the Board of Directors to increase the ability of the Board to lead major donor fundraising efforts.** The growth of the Trust over the last four years has outpaced the Board's maturation to support fundraising programs. The major donor and capital campaign programs of the Trust will rely heavily on volunteer leadership in solicitation of support from individuals, corporations and foundations. The current Board has some strength in this area, but must continue to grow to meet this growing demand that it will face in major donor cultivation, solicitation and recognition. Drawing in expertise through non-Board committee members, advisors and fundraising program volunteers should be part of this effort.

SAMPLE FUNDRAISING PLAN (CONTINUED)

4. **Increase the capacity of the Executive Director to lead fundraising efforts.** The staff of the Land Trust has a healthy global culture about fundraising and community relations. Everyone in the organization understands their role and participates in organizational advocacy and community outreach. Each of the program directors are competent grant writers and negotiators and all play a significant role in institutional fundraising.

   Glenn has served as the primary fundraiser for the Trust and is the visible face of the organization in the cultivation of gifts. Glenn is the best fundraiser for the Trust at present, and will continue to be the leader of most fundraising efforts. His responsibilities increase with the growth of the organization and aggressiveness of the strategic plan. *Organiza*tional development efforts must emphasize building staff capacity that frees up Glenn to focus on fundraising programs and activities for which he is uniquely suited to work. Administrative and fundraising staff must complement his involvement in fundraising; land protection and outreach staff must be competent enough to limit his involvement to overall vision and program development, management, and troubleshooting on the most significant projects of the Trust.

5. **Broaden the connection between the Land Trust and its donors beyond a personal relationship with the Executive Director.** The organization runs the risk of having too shallow of a connection between the organization and its donors if Glenn continues to be the sole face of the fundraising effort. The participation of the Development Director, Board members and volunteers is critical in the overall process of creating an organizational loyalty from our donors and an institutional connection to the community that will outlive any one administration of staff. Instead of replacing Glenn in fundraising and cultivation, we will look for opportunities for staff and volunteers to participate with Glenn, creating a larger institutional connection.

6. **Develop systems that build greater efficiency and overall effectiveness in our fundraising efforts.** The foundation of the Trust's fundraising efforts will rely on good procedures, excellent data gathering and reporting, clear communications and other hallmarks of effective fundraising systems. Many of these systems are in place; others are lacking and must be developed. The Trust must have these systems strongly in place as we expand our annual giving programs and initiate a capital campaign in 2002.

7. **Seek multi-year commitments to support Trust activities when requesting support from donors and grantors.** Funders and supporters often are not prepared to make a long-term commitment to support the Trust until we have "proven" our credibility to them. For many, the Trust has established its credibility and can "cash in" on that credibility in the asking for longer-term support. This would include the implementation of an installment payment plan for gifts over $100.

SAMPLE FUNDRAISING PLAN (CONTINUED)

8. **Develop a solicitation schedule that allows the Trust to ask donors several times per year for support.** Each contributor should be given more than one opportunity to invest in the success of the Trust. Renewals, upgrade requests, special appeals and capital campaign solicitations all take advantage of supporters' consistent willingness to support the work of land conservation more than one time per year.

9. **Identify and explore opportunities for "entrepreneurial" revenue sources.** The Trust has the potential to generate revenue from properties it owns, as well as generating surpluses on land transactions passed to government agencies. These are examples of fundraising strategies that may be appropriate to support organizational operations. The Trust will look at opportunities such as these and determine their potential and appropriateness as part of our activities.

FUNDRAISING POLICIES

Reserves

The Trust will invest between one and five percent each year in a reserve fund to be made available to fill unexpected revenue shortfalls and to invest in organizational capacity-building efforts. (In those years when reserves are being tapped to provide revenue, investment will not take place.) The reserve fund will be invested as a liquid asset in investments that have no more than a 120-day maturation.

Columbia Land Trust Membership Program

Anyone who has within the last 14 months given a cash contribution of any amount, or an in-kind contribution that provides benefit to the work of the Trust, will be considered a *member* of the Trust. The Development Committee will develop a benefits and recognition program for members, and assist staff in its implementation. Those members whose cumulative contributions exceed $1,000 within the last 14 months will be classified as major donors to the Trust, and will be given all privileges associated with their giving level.

Board Fundraising

The board will provide direct support in fundraising activities. This support will be coordinated by the Development Committee, which will take recommendations to the board regarding the appropriate activities and roles for involvement of other board members. A minimum level of involvement by board members will include a "leadership" gift as a member. A "leadership" gift is defined as a "significant contribution to the organization based on one's individual financial abilities." The Development Committee will provide recommended giving levels for individual board members upon request.

SAMPLE FUNDRAISING PLAN (CONTINUED)

Fundraising Plan

The Trust will renew its fundraising plan at least every three years. The plan will define fundraising outcomes, strategies and activities based on the programs and priorities established in the strategic plan. The plan will create a framework within which all fundraising programs will take place. Each plan will include a review of existing fundraising policies and offer recommendations for revisions and additions. The development director will be responsible for developing the plan, with input from the board at key intervals. The board will approve the final plan upon completion.

Restricted Grants and Gifts

Contributions accepted by the Trust will be used to support the mission and goals of the organization. The Columbia Land Trust will accept restricted contributions from any source, so long as the grant or gift are consistent with the mission, goals and program priorities established in the strategic plan and fundraising plan. Until a set of suitable sponsorship guidelines have been adopted by the Board of Directors, any donation given in exchange for an endorsement, sponsorship or similar commitment to a donor must be approved by the board prior to acceptance.

Investment Policies

The Trust will invest its endowment funds through the money management services provided by the Community Foundation of SW Washington and the Oregon Community Foundation. The reserve fund will be invested as a liquid asset in investments that have no more than a 120-day maturation. All returns on investment will be treated as unrestricted except when a return comes from a restricted contribution to the Trust that includes a restriction on the investments received from that contribution.

FUNDRAISING IMPLEMENTATION

The work of fundraising is completed through the activities defined below. These activities are designed to support the strategies and achieve the outcomes defined earlier in this plan. The fundraising program plans herein outline the current focus and approach now undertaken by theTrust, and will be updated yearly to reflect any changes and improvements that must be incorporated.

Systems Development

Database upgrade

The Columbia Land Trust is currently using E Base as its database software. This system is appropriate for the Land Trust's current scale and budget size. The Land Trust will strive to keep current with the appropriate release of this software and provide for staff training and support on the use and maintenance of this system. Many of the features available in this package have not

SAMPLE FUNDRAISING PLAN (CONTINUED)

been utilized to their fullest extent to date and the Development Director will work with the Membership Coordinator to implement more complete utilization of the software package. The Development Director and Membership Coordinator will periodically evaluate the database and software needs of the organization. There is currently a high degree of accuracy in the membership-mailing database, and this attention to detail will aid us greatly as we add additional information to the electronic files.

Donor files

The overall information system for the fundraising and public relations efforts of the organization needs to be upgraded to effectively support the increased demand for information handling for the major gifts and the capital campaigns. While many members of the staff will continue to write grant proposals and manage grants (especially large government grants for capital acquisition), the development office will become the central clearinghouse for fundraising information. Greater controls over file management will include a grant matrix, donor index and tickler files, cover sheets and report back forms and solicitor, cultivation and prospect file systems.

The staff will also incorporate landowners and potential land donors into the system, so that we can track the cultivation of these relationships over time. The information in donor files will be structured in a manner that demonstrates our commitment to creating long-lasting relationships with our constituents. Report back forms will be created for Board members and staff to use to write a brief report on any contact they have with a member, donor or prospect, so that this information will be easily retrieved in the future.

Solicitation materials

The Columbia Land Trust has done a good job of creating a consistent image with its solicitation materials that make them recognizable by our constituents. The Development Director will create an imaging and branding strategy to ensure that all public relations, fundraising and community outreach materials communicate the organization's mission and provide a recognizable and easily received format. The organization has consciously cultivated an understated approach to promoting itself, working quietly within communities to bring about its advancements, and its materials should reflect this value.

The general brochure will be reevaluated for its effectiveness and several targeted informational flyers will be created for specific purposes, including membership, planned giving and endowment needs. The newsletter to members is created on a quarterly basis and will remain primarily an informational piece, although an opportunity to give will always be included. The organization will also develop an email list of members, and provide an "on-line" version of the newsletter and begin to e-mail special announcements and invitations via its membership list serve.

SAMPLE FUNDRAISING PLAN (CONTINUED)

Budget tracking and benchmarks

Mileposts will be incorporated into each budget and annual work plan, allowing the staff and Development committee to measure progress towards goal on each campaign during the course of the year. These mileposts will serve as an opportunity to evaluate the effective of any given campaign strategy and estimate our year end financial situation and allow for course corrections in the fundraising and overall organizational budgets in a proactive manner.

Memberships and Donations

Annual gifts to operating are an essential source of unrestricted funds. The Land Trust's membership has grown markedly in that last couple of years, but is showing signs of stagnating in the face of external pressures and in response to a couple years of rapid growth. As the organization is still building its membership base as part of an overall strategy to diversify income sources, there will be a continued focus on both acquiring new members and raising the conversion rate (new members who renew for years two and three).

Acquisition

The organization has a focus on aggressively increasing its overall membership base within a five year span. Staff will continually look for appropriate opportunities to acquire direct mail prospects from other non-profit groups and associations through trade or purchase, as well as seeking the marketing lists of for profit companies through trade, purchase or sponsorship.

Beyond direct mail appeals, the organization will focus on methods to use special events, volunteer house parties and participation in community events to expand its presence in local communities and solicit gifts from newly identified prospects.

While more specifically part of a public relations plan, The Land Trust will need to undertake a series of public information campaigns to increase its overall presence in the Portland metropolitan area to bolster its membership acquisition efforts. The campaign will includecreating relationships with the Oregonian newspaper and other metro papers, radio and television stations, and Portland service organizations and associations such as the City Club and Portland rotary. The Development Director will work with the Executive Director and members of the Board to have more participation with these groups.

Special Appeals

Special appeals take two forms in the current fundraising approach: the Spring Appeal to our members in which we ask them to give an additional gift, and periodic targeted appeals to donors who do not give annually to give them an opportunity to give to a specific purpose. The Spring Appeal is a compliment to our Fall RenewalCampaign, giving members an opportunity to give an additional gift to operating without any special strings attached.

SAMPLE FUNDRAISING PLAN (CONTINUED)

Renewals

The Land Trust renews all members who give less than $1,000 in the fall, regardless of the anniversary date of their gift, creating, in effect, a membership renewal campaign. The renewal appeal has typically takes the form of a direct mail piece.

Development staff, with Development Committee input, will formulate renewal goals for each campaign year to be included in the annual budget and workplan. As the Land Trust continues to gain in total members, the historical renewal rate of 70-75% will begin to decline. Industry guidelines suggest that 66% renewal of members overall is a healthy rate and should serve as our threshold of concern. An important factor governing overall renewal rate is the conversion rate, or the number of first-time donors that renew in their second and third years. Again, with the aggressive acquisition of new members that the organization is pursuing in this long range plan cycle, this number is likely to fall below historical standards. Approximately 30% is the accepted industry standard in this area, but Columbia Land Trust's historical success in this area may indicate a slightly higher number. Members of duration over three years and major donors should have a much higher retention rate, better than 70%.

As we develop and retain a larger donor base, focus will shift to "upgrading" these members, or moving them up to higher membership categories. Members who have been with the organization for 3 years will become prime candidates for upgrading. A program made up of a combination of targeted direct mail appeals, membership events and face to face calls will be implemented to connect with this constituency.

Major Donors

Major donors as a group are differentiated from other major contributors in that they are individuals who give to the organization's annual operations. While these gifts can be designated to certain program areas, they are rarely restricted in nature. While the Land Trust has done a good job of identifying major donors from the membership, the creation of an actual campaign cycle and broader board and volunteer involvement in prospect identification and solicitation is essential.

The 2002-03 Major Donor campaign can provide a critical piece of the cultivation of leadership of the capital campaign. Staff will create a cultivation plan for major donors that includes staff and volunteers in 2 - 4 contacts a year with major donors and major gift prospects. The Development Director will be responsible for the development and maintenance of the cultivation plan, but the Executive Director and Board members will be called on to initiate and participate in the meetings.

SAMPLE FUNDRAISING PLAN (CONTINUED)

Corporations

While corporate philanthropy has fallen off significantly over recent years, and industry trends suggest that it will not rebound anytime soon, it is still prudent for the Columbia Land Trust to pursue memberships from smaller businesses and contributions from larger companies in our region. Many corporations have turned their efforts towards "cause-related marketing" as opposed to philanthropic gifts and sponsorships are the most common vehicle for corporate "contributions." The Land Trust Development Committee and staff will define a set of policies and guidelines for entering into sponsorship arrangements and any sponsorship that "endorses" a company or industry position needs approval from the Board of Directors.

Many companies encourage their employees to give money through matching gift programs and through in-kind gifts of merchandise and time. The Land Trust should remind members in newsletters and direct mailing to inquire with their employer about these programs.

Grants - Foundations

The Development Director will create a foundation "playbook" as part of the annual work plan that outlines the foundation proposal deadlines and project guidelines. As the year progresses, projects will be evaluated for suitability for each foundation "round of funding" and applications will be submitted as indicated. Cultivation of trustees and program officers will be carried out on an on-going basis with those foundations that have a significant overlay of interest with the Land Trust. The playbook will include capital as well as operating foundation prospects and will be reviewed with staff and the Development Committee periodically.

Grants to fund public outreach, capacity building, and technology infrastructure have been popular with many local foundations recently, and the Land Trust staff will have to be diligent in researching foundation guidelines for changes in focus and popular initiatives.

Grants - Government

Government grants are usually awarded through grant programs where a government agency has been allocated funds by congress over a period of time for a specific purpose. Land Trust staff will take all prudent steps in becoming aware of all new funding programs and will continually evaluate Land Trust projects for their appropriateness in seeking these funds. These funds will not necessarily always be sought when available if factors other than a project's ability to meet the qualifications present themselves. These factors might include community perception, staff workload, ability to raise matching funds and other considerations on a case by case basis.

SAMPLE FUNDRAISING PLAN (CONTINUED)

Fees/Income

Land related

The Stewardship committee and the Conservation Director are implementing a policy of reviewing the resource potential of already secured lands as well as developing criteria for the evaluation of revenue options on available lands that the organization may acquire. While the primary conservation value of the land will always take precedence, lands will be routinely evaluated for revenue opportunities such as grazing leases, utility easements, recreation leases, etc…

Other activities

Columbia Land Trust will engage in entrepreneurial opportunities as they arise such as the sale of Land Trust branded merchandise (i.e. Hats, t-shirts etc…) and materials that relate to our lands (books, photos, etc…).

Stewardship Fund

The Columbia Land Trust solicits funds from the land owner, agency or partner to partially cover the cost of providing stewardship activities for the land being brought under the Land Trust's control. These funds are not restricted to the land being transferred, but flow into the overall pool of stewardship funds, allowing the staff to make the best stewardship choices for our holdings as a whole. These funds alone will not provide adequate resources overtime so the Land Trust will seek capacity building grants and other resources for stewardship purposes.

Planned Giving

Planned gifts are usually contributions of a significant nature for endowment purposes. Planned gifts may be funded by cash, readily-marketable securities, real property, personal property, insurance policies or proceeds, or a combination of these. The Columbia Land Trust may also accept securities in closely-held companies, so long as the securities (a) can be accurately valued and (b) can be readily liquidated by the Columbia Land Trust in an identifiable manner that is acceptable to the Columbia Land Trust.

While the Land Trust is not prepared to advise individuals on estate planning and tax issues, the organization will work with volunteer estate planners and financial planners to provide information to prospective donors informing them of their options. The Land Trust will produce a planned giving brochure and staff will periodically attend workshops and other informational events to stay current on planned giving issues.

SAMPLE FUNDRAISING PLAN (CONTINUED)

Great Lands, Great Actions Campaign

The Great Lands, Great Actions Campaign is a multi-year campaign to raise substantial funds for the acquisition and stewardship of specific lands in identified priority areas. Phase One of the campaign focuses on the Willapa Bay/Long Beach Peninsula region and seeks to raise approximately $7.5 million from public and private sources. The campaign will be governed by a Campaign Steering Committee, which will include at least one Board member and one member of the Development Committee. The Board will adopt a campaign budget that incorporates the cost of the capital campaign in the overall campaign goal.

The campaign will be structured to use many volunteers in the identification of prospects and solicitation of gifts. The timeframe for the active campaign will from 18 to 24 months and will commence in three distinct phases, the "quiet period" where lead gifts are secured, the major gift portion and the public portion where the broader membership and community are asked to participate.

Board Role in Fundraising

The board will provide direct support in fundraising activities. This support will be coordinated by the Development Committee, which will take recommendations to the board regarding the appropriate activities and roles for involvement of other board members. A minimum level of involvement by board members will include a "leadership" gift as a member. A "leadership" gift is defined as a "significant contribution to the organization based on one's individual financial abilities." The Development Committee will provide recommended giving levels for individual board members upon request.

FUNDRAISING PLAN WORK PLAN

Analysis of funding issues

Analyze current funding activities

Conduct a review of current fundraising programs, systems and resources.

Analyze other organizational issues

Conduct a preliminary audit of other organizational issues, including board and staff development, strategic planning, and organizational structure as they relate to fundraising capacity. Summarize this in a report that includes specific recommendations.

Determine long-range needs

Review strategic plan

Review plan for implications for long-term program directions. Identify program areas and their level of activity for a three-year period. Make recommendations for possible improvements to the strategic planning process.

Develop three-year budget

Determine funding needs for programs in each of the next three years, based on the strategic planning information. Budget forecast focuses initially on expenses and not revenues.

Develop funding source matrix

Identify the potential revenues to meet the expense needs of programs for the next three years. Identify the mix of revenues that will be applied to each program area.

Identify program options

Review organizational models

Look at theoretical models for structuring the fundraising program. Draw on specific organizational development models for examples.

Research other funding programs

Look at existing models for the fundraising program. Research the fundraising programs in place for similar organizations, including groups with both conservation and non-conservation program focuses.

Evaluate current funding programs

Drawing on the information from the fundraising analysis, develop specific issues that must be addressed to increase the fundraising capacity for your organization. Working with both staff and board members, identify possible strategies for improving these issues.

Develop fundraising strategies and policy recommendations

Narrow the list of strategies to the preferred list of organizational policies, including any specific changes to the organizational plan and structure. Develop specific recommendations to be presented to the board of directors for approval.

FUNDRAISING PLAN WORK PLAN (CONTINUED)

Write fundraising plan
> Assemble all of the appropriate information into a final fundraising plan document, including specific fundraising programs, milestones and strategies for growth. Develop a preliminary implementation strategy and budget, and identify the appropriate roles for board and staff within the strategy.

Adopt fundraising plan
> Board of directors approves final plan, including work plans and preliminary budget.

Implement funding program

Develop implementation strategy
> Create a comprehensive implementation strategy for the fundraising program. Coordinate these activities with the other program priorities for the Trust.

Develop work plans and budget
> Create specific work plans for both staff and board members, and develop a detailed program budget for all aspects of the fundraising program.

Begin implementation
> Begin implementing the tasks and activities within the fundraising work plans. Establish periodic reviews to assess progress and make necessary modifications.

FUNDRAISING PLAN -- SAMPLE WORK PLAN

Task	Who	Sept	Oct	Nov
Analysis of funding issues				
Analyze current funding activities	LE	■		
Analyze other organizational issues	MS	■		
Determine long-range needs				
Review strategic plan	LE	■		
Develop three-year budget	LE	■		
Develop funding source matrix	EH	■		
Identify program options				
Review organizational model	SC		■	
Research other funding programs	EH		■	
Evaluate current funding programs	MS		■	
Develop policy recommendations	LE		■	
Write fundraising plan	LS		■	
Adopt fundraising plan	LE			■
Implement funding program				
Develop implementation strategy	SC			■
Develop workplans/budget	SC			■
Begin implementation	LE			■

SO WHAT?

After sitting through this workshop, at least one (hopefully more than one) idea may have struck you as relevant to your organization. What are the most important ideas presented today for your organization?

     1.

     2.

     3.

Which items are the most important first steps towards some of these improvements?

     1.

     2.

What areas do you think need additional clarification and training?

     1.

     2.