


TOOL 4



MAKING A PERSONAL GIFT

Many boards spend considerable time defining the board's role in securing adequate resources for the organization. Personal contribution is an essential part of that discussion. Each board should determine its own personal giving policy. For boards that raise funds, the target should be to reach 100-percent board member participation.

WHY SHOULD BOARD MEMBERS GIVE?

Board member giving is natural and necessary. Here are some rationales:

- Board members of most charitable organizations are expected to participate in fundraising. An appeal is particularly convincing if a board member uses him or herself as an exemplary donor.
- The board is responsible for providing a sound financial basis for the organization. By personally contributing, a board member recognizes this responsibility and demonstrates a commitment.
- Nearly 90 percent of American households contribute to charities. A board member should designate his or her own organization as one of the main recipients of his or her generosity.
- Many foundations only contribute to organizations where every board member is a contributor.

GIVING POLICIES

The board must draft a fundraising and personal giving policy. A strong leader during the decision-making process — a sensitive peer who is in a good position to make the case — can help find a consensus among board members. As the decision affects each board member individually, it is necessary to create a policy that can be enforced. To avoid any misunderstandings and false expectations, every board candidate should be familiar with these policies.

HOW MUCH IS ENOUGH?

It is probably not a good idea to ask each board member to make an equal contribution. Some board candidates might find the amount too high; therefore the policy would eliminate valuable prospects from joining the board. Others may have considered contributing more but a lower suggested amount could change their minds. The policy could set a range, suggest a minimum amount and/or encourage each member to give generously according to his or her means. One set of guidelines may not be appropriate for every board.

ADDITIONAL OPTIONS

Some boards tie fundraising and personal giving closely together. Each board member, for instance, is asked to bring in \$5,000. It is up to the individual board member to raise the funds or make a personal contribution. Many performing arts boards, besides setting a base contribution level, want board members to purchase season tickets and bring guests to performances. In other types of organizations, board members could be asked to buy memberships for others, subscribe to the organization's journals, or purchase publications as gifts. Board members could pay their own registration fees for conferences. They could support special events financially by purchasing auction tickets or donating items to an auction or a sale.

HOW TO MAKE BOARD MEMBERS DELIVER

Some boards ask their members to pledge a certain amount for the year or have them sign a letter of intent. The board chair or the chair of the development committee keeps track of the contributions and contacts any member who seems to have forgotten the pledge. Vigilant board chairs share the track records of individual board members with the rest of the board, thus increasing the 'public' pressure. When 100 percent of the board members have fulfilled their promises, the entire board celebrates. As long as there is a policy in place, there must be a method of making it work.

STATISTICS

According to a recent BoardSource survey, 68 percent of nonprofit organizations have a policy requiring board members to make a personal contribution on an annual basis. Boards average 74 percent participation in giving; however, on the average, only 46 percent boards had 100-percent participation. In the arts and cultural organizations, it is more common to find required annual contributions.

Excerpted from the BoardSource Topic Paper "Board Members and Personal Contributions."