Three Fundraising Habits of Supremely Successful Boards, by Jerold Panas

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In my work with nearly two thousand organizations, I've found that board members will stand on tiptoes to reach high standards if they know what's expected of them. They'll perform extraordinary feats, give unlimited time, combine all their talents for a common and great cause.

But if trustees don't understand their role, this enormous potential is reduced to a trickle, forced through a narrow institutional funnel.

In my book, *The Fundraising Habits of Supremely Successful Boards,* I discuss 25 habits that every board must adopt if they hope to raise substantial money. Here I'll focus on three.

Habit One: You Invest

Paul Folino is former chairman of the board of the Performing Arts Center in Orange County, California. Recently we had a conversation about the importance of board members giving to their organizations.

What Paul tells me may surprise you.

"Here, the stated expectation is $50,000 a year," he says. "If they can't meet that, they're asked to serve in some other capacity, perhaps on a committee."

I'm incredulous. "Do you mean every trustee gives $50,000 a year?"

"Yes they do," he says emphatically.

But that's not all. Paul says each trustee is expected to bring in at least that much from others in the county.

"We follow the dictum Give, Get, or Get off!"

My first thought is *Good grief, you must have trouble recruiting trustees.* But as I learn from Paul, there's actually a waiting list. Imagine—people lining up to give $50,000!

What has happened is that by raising the bar, there's a certain social cachet to belonging to the board of the Performing Arts Center. It's considered an honor. I'm reminded of what Groucho Marx said: "I'd never belong to a club that would have me as a member."

In your own particular organization, $50,000 may be too high. But don't let the figure scare you. I know of many organizations where the expected level of trustee giving is $10,000. For others it's $5,000. Many are even lower. But the Performing Arts Center example does forcibly deliver the point: as a board member, you must give.

Especially if you hope to get!

Judy Jolley Mohraz, who heads the Virginia G. Piper Charitable Trust, the largest foundation in Arizona, makes that very clear.

"We wouldn't consider a grant to an organization if the directors weren't 100 percent in their giving. Why would we? If they don't care enough for their organization to give to it, why should we?"

This isn't unusual. We find most foundations now look carefully at board giving. And for some, it's not even a matter of 100 percent participation. They want to examine whether some directors are giving to their potential.

Claremont-McKenna College (California) has a brilliant way of helping trustees understand their responsibility in giving. Their minimum gift is expected to be a student's tuition (now over $40,000 a year). Thomas Mitchell, past chair of the college's Advancement Committee, tells me most trustees give more than that.

Don't worry if your organization's level is lower than this. But aim high. Ask trustees to stand on tiptoes.

Trustees who fail to give place their organization in manacles—forged and fashioned of a rigid spirit and lowly aspirations.

Martin Luther said God divided the hand into fingers so the money would slip through to worthy causes. As a trustee, you must spread your fingers wide!

Habit Two: Back to the Well

"You can't keep going back to the same well," declared the trustee.

I was at a board meeting recently at an independent school in western Pennsylvania. One of the board members was adamant: they couldn't keep going back to the same old donors.

And in truth this is a well-worn maxim. It's as old as fundraising itself, repeated often, and usually with the same satisfying finality as a Bach cantata.

The only trouble ... it's absolutely untrue. A hoary saw that's totally baseless.

You can indeed keep going back to the well. As a matter of fact, that's where your greatest potential is.

It's as simple as this: Giving begets giving. The more a person gives, the more he or she keeps giving. And giving.

What's really difficult is getting someone to give who has never given before. Or worse, has no philanthropic intent and gives to nothing.

Take Thomas, for instance, in Champaign, Illinois. For years, he made the Forbes list as one of the wealthiest men in the country.

When we were working with the University of Illinois Library, everyone insisted we put him on the prospect list. One of the board members said, "Heck, Tom could do the whole darn campaign himself."

Well, indeed, he could have ... with nary a blip in his net worth. The trouble is, he had never given to the university. In fact, as far as we could tell, he had never given to anything.

We should certainly have called on him, but I didn't harbor much hope. It's what Samuel Johnson said about marrying the same woman twice—it's a case of faith over experience.

If you want the real maxim, here it is: Givers give. Which explains why at the end of your campaign if you're short of goal, you call on those who have already given. You don't go to those who earlier said, "Call on me later." Chances are they'll put you off again.

Your organization needs financial support. As a board member you're willing to ask others for it. You need to know you can indeed go back to the well.

Follow one of Pope John Paul's last encyclicals to his bishops: "Go deep, go deeper, go deeper still."

Habit Three: Beware the Trojan Horse

We were in the middle of a campaign at the Asheville School (North Carolina) and had reached that point where we needed something big to happen. Something consequential.

We had gotten off to a great start. The board had given sacrificially. A number of major gifts had come in at just the level we hoped. But now we were stalled. Little was happening. And it was painful.

Then Peter calls (you would recognize his real name immediately). He wants to give $7 million! We were singing the doxology.

There was only one hitch. Peter wanted the money to be used to reestablish the small campus lake he remembered when he was a student.

Filled in years ago, the lake was a perennial problem and a worrisome safety risk—students loved going swimming at midnight. (That's what Peter seemed to remember most about his days at Asheville!) Now there was an inviting meadow on the spot.

Peter wanted the lake back. And if it costs a little more than the $7 million, he'd up his gift, he told us.

A special meeting of the board was called. Restoring the lake wasn't part of the campaign. Nor did it figure in any future plans. After hours of discussion, the board decided to go back to Peter and ask if his proposed gift could be diverted to another purpose.

But Peter was insistent. He wanted the lake. And he'd pay for the engineering fees if that was a problem. He also made it clear—no lake, no gift ... of any size.

Another all-day special board meeting. Maybe it would be nice to have the lake again, one trustee mused. A few others agreed. "It was a popular spot." But in the end, the board did the right thing. They refused the gift.

Trustees like you and those at the Asheville School have a responsibility to determine what gifts might compromise the organization.

Sometimes, the right decision isn't so clear.

I was at a board meeting at Pacific Union College (Angwin, California). Trustees were split evenly about accepting a sizable gift from a local winery. The College is Seventh-day Adventist and Adventists are adamantly anti-alcohol. It's one of the church's inflexible tenets.

I watched as trustees moved to one end of the room or the other to show their position. From both sides, the arguments grew heated and vehement. The chair was having trouble maintaining control. Forget about decorum!

Finally, someone said, "Malcolm, you've been quiet the whole time. What do you think about this?" Malcolm was the highly respected president of the university.

The moment was suddenly flooded with thundering silence.

"Well," said Malcolm, "I think the devil has had this money long enough. I believe it's time we had it for our use."

That's all it took. Trustees voted to accept the gift with, as one board member said, "Deep appreciation to the wonders of the Lord."

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