FUNDRAISING ROLES
Who's in Charge of What?

One of the causes for discord in many nonprofits is confusion over fundraising roles. Who is actually responsible for bringing in grants and donations, and who determines the overall fundraising strategy and policies? What tasks belong to the staff and what duties are carried out by the board? Without a true understanding of fundraising as part of the overall financial plan and without appropriate division of labor, it is difficult to secure a strong fiscal base for the organization. The board and the chief executive need to be on the same page on this issue.

WHERE DOES THE MONEY COME FROM?

Keeping all eggs in one basket — relying on one method of fund development — is not a smart formula for securing financial health. In fact, fundraising is only one of the ways for nonprofits to bring in income. Government grants provide about 30 percent of all revenue in the nonprofit sector. Earned income — fees for services or products and membership dues — is often an excellent way to bring about financial stability. In addition, many organizations engage in entrepreneurial ventures that often produce income through unrelated business activities.

FUNDRAISING ACTIVITIES

A nonprofit has many options for bringing in money in addition to fees for services and contracts with government or other agencies. It may write proposals to foundations. It may solicit funds through direct mail. It can rely on annual campaigns and phonathons. Corporate sponsorships may underwrite major events. Small scale special events may be part of the annual calendar. Capital campaigns and planned giving can bring in important funding. Board members make personal contributions. Whatever the type of fundraising an organization decides to engage in, it should make an appropriate choice for its scope and incorporate the activities in the overall fundraising plan.

BOARD

One of the primary responsibilities of the board is to ensure that the organization has adequate financial resources to carry out its mission. The board approves the budget so it must be on top of how the money comes in. The board must agree on the programmatic goals, so it must also agree on how the work gets financed. If one of the ways for the organization to fulfill its obligations is to raise additional funds, then the board must commit to make this happen. Either the board raises the needed funds or it ensures that staff is equipped with the necessary skills and expertise to organize the fundraising effort. In many organizations the two go hand in hand.

The board also drafts the necessary master policies related to fundraising. It ensures that appropriate gift-acceptance guidelines are compatible with the mission of the organization. It clarifies board members personal responsibility to make a contribution or to participate in fundraising activities.

INDIVIDUAL BOARD MEMBERS

If the organization needs and decides to raise funds, it is natural that individual board members do their share. The board should have policies on what is expected in terms of personal giving or participation in fundraising for board members. The overall coordinator of the fundraising effort should include board members in the action plan to ensure that everything is synchronized. As every board member is not equally skilled in the intricacies of raising funds, a concerted effort for training makes sense. Board members can be great references for potential funders. They can accompany the chief executive on make-the-ask visits. They can sign fundraising letters or be visible attendants at special events. They may recommend or cultivate potential new board members and serve as fundraising guides for less experienced peers.

DEVELOPMENT COMMITTEE

Many boards today look at development as a process whose end result is successful fundraising. This concept allows the organization to take a totally new approach to development committees. Instead of forming a board fundraising committee, it might make sense to form an organizational committee that can be mostly composed of non-board members and that works directly with and reports to development staff. Board members with special skills and contacts would also serve on this committee.

In addition, boards may want to form their own fundraising committees or taskforces as the need arises. As every board is responsible for the overall policy formation, this task force can take the lead in drafting the necessary organizational fund development policies. If the board decides that each board member needs to be individually engaged in fundraising efforts, this task force can serve as a board-level motivator.

CHIEF EXECUTIVE

The chief executive has a key role in fundraising. Working in partnership with the development staff and the board, she acts as the primary representative of the organization. The chief executive tends to spend a significant part of her time on cultivation of major funders and public relations in general. Sometimes the board hires the chief executive mainly to raise funds to let itself off the hook. This is an unfair and unrealistic demand. Fundraising is always a team effort. Division of duties must be clearly defined.

DEVELOPMENT STAFF

When an organization is able to hire professional development staff — development director, grant writers, planned giving experts, or other specialized development consultants — it also has a possibility to diversify its fundraising efforts. The development director usually is the coordinator of the overall fundraising plan. He finds the best way to take advantage of the chief executive's persona, to collaborate with the board to utilize the contacts that board members bring with them, and to hire and supervise the rest of the development staff.

SETTING THE STAGE

Not all nonprofits raise funds. Some are lucky to be self-sufficient and earn adequate income from their products and services. Others have endowments that provide regular operating funds. Only 501(c)(3) organizations (with some exceptions) can receive tax-deductible donations. Other tax-exempt categories therefore are not attractive to donors and funders and therefore must rely on alternate streams of revenue. But if the board of a public charity comes to the conclusion that fundraising is a necessary option, it is imperative that all board members, the chief executive, and the rest of the development staff participate actively in carrying out this responsibility.