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The importance of strong volunteer leadership for our charities

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Did you ever wonder how a nonprofit organization is created? You may think it's all about legal paperwork and countless forms filed with faceless managers at the Internal Revenue Service and our state's Attorney General's office. It's true enough: it takes a lot of paper to win tax-exemption for a charity (and it should; those tax benefits are substantial for the charity and for their donors).

But it takes much more than paper: It takes *you*.

About \$300 billion is given annually by families, foundations and corporations to charities in America, and every great charity began with the giving hearts and willing hands of a volunteer group who came together to heed a call, to serve their community, to make a difference. That volunteer team—the board of directors—is at the center of every charity. Whether the board has hired a staff member or hired one hundred staff members, a nonprofit organization is still guided by its volunteer board. In the eyes of the IRS, the buck literally stops with the board. In fact, the mission and vision of a nonprofit organization is plainly spelled out by that board's officers in all of that mountain of paperwork that is read (by someone!) at the IRS each and every time they review its tax-exempt status.

It takes a volunteer board to create and run a nonprofit organization, and their work never ends. That is an essential spirit and joy of American philanthropy. In Kentucky today, there are about 10,000 nonprofit organizations who file reports annually with the IRS. If you are asked to serve on a board of one of these groups, you need know that you are not just an advisor to the staff or a public advocate or a donor, but in fact you are truly responsible for ensuring that the mission, staff, programs and finances are on solid ground every day and every month of the year. Boards of directors hire the lead manager of their organization, to be sure, but their work doesn't end there: they can and must be vigilant in ensuring the credibility and sustainability of the charity, and that means helping provide expertise to the staff in

everything from finances to fundraising to facility management. The essential roles of board service are typically:

- Determine the mission and purpose of your organization
- Hiring and supervising the Executive Director or President
- Leading the staff in strategic planning and annual evaluation of services
- Leading fundraising efforts and making generous personal gifts
- Helping to boost the public image of the organization
- Ensuring that finances and other resources are soundly managed
- Ensuring that valuable programs are created that really serve the community
- Serve as a fair (and final, if needed) judge for conflicts in the organization
- Evaluating and improving its own performance as a board
- Recruiting and training new board members every year

The list seems challenging to anyone who is asked to serve, but it is important to remember that the genius of volunteerism is that none of us is an expert in everything, but *together* we can do *anything*. Therefore, it is important to recruit and support board members who have interests and talents in diverse areas. Recruitment is the job of every board member, of course, and in my work as a volunteer and also as a consultant to boards I have seen that the mark of a great board is one that is always “turning over new leaves” and replacing long-serving volunteers with new talent that can add a treasure of leadership.

Without doubt, the most compelling, complex and challenging role for most new board members is the work that awaits them in *fundraising* which, in most cases, guarantees a margin of excellence and, in some cases, is essential to survival. While it’s true that many charities receive generous grants and sponsorships from foundations and local businesses, eight of every ten dollars of philanthropy that supports our nonprofits in Louisville and in Kentucky comes from individuals and families. As board members, there is just no way around it: In order to be a great charity that accomplishes amazing things for our community and our region, we must have every board member taking part in the fundraising process as both a worker and a donor.

But I am happy to report that asking for gifts from others is not just about asking for money (if only that were so!). There are so many important steps that must precede any fundraising letter or chat, and all of us—volunteers, board members, staff—have a role to play in those steps. You need only to find your best part to play in creating exceptional philanthropy for any organization.

Think about the last time you gave (what was, for you) a large contribution to a favorite charity. Had you made other, smaller gifts in prior years? Did you have contact with their staff or volunteers in programs in prior years? Did you or a family member, a close friend or neighbor, or your employer receive excellent service or see the tangible benefits of that organization’s programs? If so, you are not alone:

most regular, loyal donors share a common thread of engagement with the charities that they support. For really significant supporters, their relationship to a nonprofit organization is about more than sending a check in the mail or buying a table at a gala dinner: they need and expect a *personal connection* to the board, to other volunteers and to donors, and most importantly to the staff. Asking for money is the natural “next step” in an ongoing relationship that is built on more than simply asking for a contribution.

I often tell clients that it’s wiser to ask for advice before you ask for money. As an example, I like to talk about the board member at a well-known, highly-respected nonprofit in our community who is nervous about fundraising. She is the vice-chair of her board, she knows and loves the mission of her organization and has been a generous donor herself for many years. She seems perfectly situated to ask for a gift. Still, she is a little skittish about asking a longtime friend for a new gift to the capital campaign. The prospective donor has a record of making gifts to similar causes before, and but no one has ever really asked this donor for a very large gift to *this* charity. Now we have the perfect person to ask, but she is unsure she’ll be successful.

If you are a board member, you really are in the *perfect* position to educate, to advocate, to cultivate. These steps are essential to any fundraising, and asking for the gift is just the natural next step. Who better than a caring board member to explain the mission and the project at hand, and then ask for feedback and advice? And it’s the board member—not the donor—who carries the credibility and responsibility of the organization on her shoulders. You will make sure the funds are spent wisely, and you will work with your volunteer colleagues to evaluate the programs and staff.

Far from being a heavy burden, serving on a board of a nonprofit organization can be an extraordinary opportunity to transform your community. You are standing on the shoulders of countless other board volunteers who came before you in the years or decades since your charity was first created. Once it was just a set of bylaws and tax forms, but a nonprofit charity today is a living body of generous, talented people who are making real change. And that’s reason enough to care and to serve.