

## CULTURE OF PHILANTHROPY

# Cultivating Your Culture of Philanthropy

*Everyone in your organization plays an important role in this ongoing process, starting at the top – with the Board.*

*By Peter Smits, of Counsel*

Imagine you are a new member of your nonprofit organization’s Board of Directors or Trustees, listening quietly and observing intently as the topic, “How to cultivate our organization’s culture of philanthropy,” elicits an engaging, if slightly mysterious to you, dialogue among your peers. You bring many strengths to your new Board role, but fundraising may not – at least now – be one of them. As the conversation unfolds, however, questions arise that begin to illuminate the topic and draw you in. For example:

- What would the ideal culture of philanthropy look and feel like for our organization and our donors, and how would it align with our mission and vision?
- If leadership really begins at the top, what should this culture of philanthropy look and feel like for our Board, and how can we foster such a culture?
- What processes should we initiate to assess our organization’s current culture of philanthropy and chart the course we want?
- Do the priorities we give staff across our organization support our desired culture of philanthropy; if not, what changes are needed?

It quickly becomes evident that the Board has a significant responsibility to help shape the institution’s overall fundraising direction and culture. Now the conversation is getting more interesting.

As a point of fact, more and more organizations today are paying greater attention to how their Boards can help create a culture of philanthropy, both from a strategic standpoint and as a direct contributor. It is also increasingly understood among nonprofits that everyone in the organization bears some responsibility for improving the organization’s attitude toward philanthropy, especially the Board members.

As the discussion continues, you are further interested to learn that the Board has a responsibility to:

- **Request appropriate fundraising planning.** Fundraising must be based on long-range plans and priorities shaped by the Board, which is a full partner in setting goals and direction. From those goals and that direction, fundraising priorities become clear.
- **Confirm the importance of fundraising within the overall organization.** Governing boards play a vital role in conveying to various constituencies the link between the organization’s mission and its fundraising priorities.
- **Ensure an adequate fundraising budget.** The Board must ensure that the budget contains sufficient human and programmatic resources to support continuing fundraising activities as well as periodic comprehensive or targeted capital campaigns.



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The conversation moves on to other roles that you and your fellow Board members can play in shaping and growing a culture of philanthropy. For example:

- You must **monitor fundraising success**. Primarily through the work of the development committee, you should establish and review metrics that measure specific fundraising priorities and that are appropriate to the situation, goals, and mission of the institution.
- You must **understand the cost of fundraising and its return on investment**, making sure that cost comparisons are accurate. Be sure to recognize that fundraising is an investment that requires time and resources to grow.
- As a Board, you must **carefully evaluate leadership**. The president or CEO is also the “chief fundraising officer,” ultimately responsible for ensuring that the institution’s fundraising efforts are aligned with the organization’s priorities; that the development or advancement office is staffed by competent professionals; and that the Board has what it needs to be effective advocates and fundraisers.
- Finally, the Board must **advocate for philanthropic support**, which includes being well-informed about the organization’s mission, values, priorities, and fundraising opportunities, and able to effectively articulate these to potential donors.

Now this discussion has you hooked, because you realize that fundraising in today’s nonprofit organizations and environment is actually an important leadership responsibility – one to which you can contribute.

You continue to listen intently and learn as the top-10 characteristics of a healthy culture of philanthropy, as revealed in recent studies by the Council for Advancement and Support of Education (CASE), which focuses on higher-education institutions, are shared with the Board. These characteristics are:

1. Leadership of the organization
2. Fundraising goals that are aligned with the institution’s mission
3. A commitment to stewarding gifts
4. Engaged volunteers and donors
5. Clear and concise mission and vision statements
6. Donors with capacity and interest in major gifts
7. Quality of academic programs (again, CASE focuses on higher education, but these could be any programs central to delivery of a nonprofit organization’s mission)
8. Opportunities for alumni to engage with the institution (outside of higher education, think of “alumni” as “key stakeholders”)
9. Quality and reputation of the faculty (or reputation of the organization, its leadership and staff)
10. Demonstrated need for philanthropic support

Your first meeting as a member of the organization’s Board wraps up with a unanimous commitment to focus on growing the culture of philanthropy. The Board agrees that it will begin by concentrating on:

- **Mission and vision.** Clarity of vision, mission, and values helps to bolster the trust and support of all stakeholders, including donors.
- **Leadership.** The bottom line is that a vibrant culture of philanthropy cannot exist without strong and trusted leadership at all levels, and that begins with selecting and evaluating the president or CEO.
- **Alignment of goals.** The alignment of fundraising goals with the strategic direction of the institution is crucial. To engender credibility from stakeholders, the institution’s multi-year priorities and annual fundraising goals must clearly align with the strategic plan laid out by institutional leaders.

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- **Engagement.** Board members set the standard for committed engagement by all volunteers, and volunteers are most happy and productive when they are treated as insiders and partners.

As the meeting ends, the suggestion is made that “Building a culture of philanthropy” be added as a standing Board meeting agenda item for the foreseeable future. You agree, but suggest the item be titled “Cultivating our culture of philanthropy” to underscore the role that everyone in the organization, including yourself and your fellow Board members, plays in this important and ongoing process.

Congratulations, you are now a fundraising-savvy member of your organization’s Board!

*The Phoenix Philanthropy Group has helped many nonprofits build and strengthen their organization’s culture of philanthropy.*

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