

Five things your board needs to understand about fundraising

A veteran president once remarked that “after the mission statement, it’s all about budget.” And for most theological schools, meeting budget includes fundraising. Regardless the purpose of the gifts received — general operations, student aid, or capital improvements — contributions from the faithful are essential to bridging the gap between a school’s income and its expenses. Generosity is generative, expanding institutional prospects and advancing the mission.

Within thriving institutions, there’s a clear sight line from effectiveness in fundraising and financial vitality. Between the two is usually a board that’s been educated and equipped for wise decision making and individual participation. However, slowing down long enough to educate board members to what it takes to do fundraising well can seem a luxury — especially when time is short and finances are tight. Yet as the contributions of powerhouse fundraising boards to their school’s thriving demonstrate, doing so reaps significant rewards in the long term.

Time spent helping trustees understand fundraising, and their place in it, is always time well used.

Here are five things boards of theological schools need to understand about fundraising

1. Fundraising success begins with good governance. The first and most precious gift a board can give a theological school is its wholehearted commitment to good governance. Everything else, including the fundraising program, rises or falls based on the quality of care provided by the board for the institution. Although conversations about the individual members’ roles can suggest otherwise, tending as they do toward activities beyond the campus, board members must understand that what they do while gathered as a corporate body is of even greater consequence to the development effort.

For an institution’s fundraising to be successful, the board must take ownership of two key issues: The first is its own readiness to provide the quality of leadership the seminary needs and deserves. The second is the worthiness of the institution to receive the goodwill, gifts, and students it desires. Good governance serves as a guarantee of institutional legitimacy and, in so doing, encourages donor confidence.

2. Fundraising isn't an annoying add-on to the real work of the school. For some board members, the need to raise money is a sign of institutional weakness, when in fact, fundraising is all about opportunity. The impact of a vibrant development program reaches into every corner of institutional life, supporting, enhancing, and advancing the school's current programs and long-term aspirations. More money usually leads to a more expansive mission, and the sooner the board comes to understand this good news about fundraising, the better for the school and the donors who support it.

Nowhere is the essential contribution of the development program more evident than in the strategic planning process. This presents a particular opportunity for the board to demonstrate to faculty, staff, and others that fundraising isn't a mere add-on. Through their participation in identifying and pricing out priorities and options for the planning period, trustees are positioned to tackle lingering reticence, misconceptions, and wrong-thinking about the value to the school of the development effort.

3. It costs money to raise money. On the face of it, fundraising seems an inexpensive enterprise. One person asking another to make a gift — how much could that cost? To this, the educated board answers, "More than meets the eye." In addition to salaries for the development officers who do the asking, there's support staff, office space and equipment, technology, travel, hospitality, special events, printing, postage, and more. Before signing off on an annual budget, the board must be certain that the development office is funded at a level appropriate to the goals handed to it.

Wise stewards recognize the dollars invested in the development program today as longer-term investments in the school's mission fulfillment and economic vitality. However, before presuming to know how to set fundraising budget that's right for the school and its aspirations, the board must educate itself to best practices, industry standards, and fundraising research. As trustees grapple with the complexities and demands of a robust fundraising program, the true costs of such an effort should become obvious to them.

4. Fundraising is a long game. There are no shortcuts or fast tracks to fundraising success. Exemplary development programs are built on patience, consistency, hard work, and an appreciation of the power of relationships. While the purpose of the development program is to secure much-needed dollars for the school, board members should expect that there's more to the work than simply seeking to grow the donor base. With the long game in mind, it's evidence that the school is attracting a loyal, steadfast, and faith-fueled community of support that truly matters.

Specific to time invested and an institution's fundraising success, the board must give attention to two key indicators. First, the board should ask for data related to average length of donor participation and the correlation of length of participation with gift size. Second, board members should want to know how donors feel about their relationship with the seminary and, most especially, whether donors report feeling encouraged in their faith because of giving to the school.

5. Participation by individual board members matters. The idea of fundraising is uncomfortable for most board members, and suggestions that they should become involved personally in development work may push reluctant fundraisers beyond their comfort zones. Yet, as both experience and research tell us, participation by individual trustees is a key factor in a school's success at raising funds.

To be sure, the president and the development staff can carry the fundraising program for a time. But greater results come to schools where board members are equipped for, engaged in, and excited about fundraising. As veteran fundraiser J. W. Pocock wrote in his 1989 book *Fund-Raising Leadership*, "It is not stretching the truth, looking at the experience of individual organizations, to report that as the board performs, so does the advancement program respond."

With such high stakes riding on the board's participation in fundraising — both individually and as a corporate body — institutional leaders must make a priority of providing trustees with what they need in support of their best efforts. And for their part, board members must take what's offered and use it in support of their best.

As a first step, board members must give. Second, trustees need to make their networks available to the institution. And third, it's a blessing to the school if at least some board members assist in nurturing relationships with donors. There's no getting around the truth that trustees are the magnets that draw friends, funds, and goodwill to a theological school. The strength of the magnetic pull, however, is in direct proportion to the encouragement and education provided to them and the willingness of board members to learn.

In summary

There is much more that boards can and must know about their schools' fundraising programs and the role of the board — both as a corporate body and individually — in a successful development effort. But before jumping headlong into fundraising, it's essential that board members grasp a few foundational truths about fundraising and the role of the board. This document introduces five such truths, which if taken to heart will move a board toward modeling the level of performance desired of and needed from the school's development program.

By Rebekah Burch Basinger an independent consultant for board development and fundraising who has worked closely with the In Trust Center for more than 25 years.



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