

News Release

FOR IMMEDIATE RELEASE:

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CEOs From Large NY Area Nonprofits Say Board Expectations Are Shifting Toward Policies Requiring Members to “Give, Get, or Get Off”

MONTROSE, NY, June 25, 2008: More and more nonprofit organizations in today’s competitive fundraising market are expecting board members to bring more than their brains to the table, and many are adopting policies of “Give/Get,” noted some in a group of 17 CEOs of large New York-area charitable organizations who convened in a forum recently. Participants included:

- The Boys’ Club of New York
- Cabrini Eldercare
- The Chaminade Development Fund, Inc.
- The Children’s Village
- City Harvest, Inc.
- Conference on Jewish Material Claims Against Germany
- Good Shepherd Services
- Helen Keller International
- International Fellowships Fund
- Legal Services NYC
- Museum of Arts & Design
- The Partnership for the Homeless
- Phoenix House Foundation, Inc.
- Prep for Prep
- Regional Aid for Interim Needs, Inc.
- Sports & Arts in Schools Foundation
- Women In Need, Inc.

The group of chief executive officers indicated that charitable organizations need board members who are able to help them strengthen their financial base. Most of the organizations are taking steps to help their board members become better fundraisers, with training in areas such as:

- identifying potential donor contacts
- fundraising engagement (from supporting staff on visits with foundations to actually making the ask)
- participating in “friendraising” and fundraising events

The discussion around board roles in resource generation took place at a CEO Forum facilitated by The Institute for Nonprofit Excellence at the Princeton Club. Mal Brett. Schwartz, President of MBS Associates, explained that his company has partnered with The Institute for Nonprofit Excellence to convene top New York-area nonprofit executives in a unique dinner forum setting where they can address common concerns.

All of the CEOs in attendance agreed that having 100 percent of the board making a financial donation to the organization is an imperative. “Many foundations and companies won’t make a gift to an organization that cannot say that 100 percent of its board members donate money to the mission,” a CEO added.

Most of the organizations represented indicated they have a board Give/Get policy for board members, and the amounts varied from a low of \$2,500 to a high of \$25,000.

One CEO mentioned that when the Give/Get policy was instituted in her organization, 40 percent of the board resigned. Now, when the organization recruits new members for the board, the policy is put on the table during the interviewing process so there are no misunderstandings once the new member is elected.

Another CEO said his board chair handles communications with prospects and members. “Some board members give way more than the minimum and they resent those who don’t give—this causes morale problems among givers. So we are asking those who don’t give to get off the board to make room for someone who will,” he added.

“We make it clear in the courting phase what the give/get is. Further, we recently started an every-other year board member appraisal process—the governance committee does appraisals, including give/get performance. That has resulted in some difficult board chair conversations. We learned that we don’t have to automatically renew board terms—and that we can say good-bye,” another participant said.

The CEOs indicated that the key to board engagement in raising resources is educating the members on challenges faced and how their efforts will directly impact the organization’s ability to fulfill its mission. One CEO actually has board donations as a line item in the annual budget, and when that budget is down and programs must be cut, it creates a whole new attitude of urgency on the board.

“We give the board their own story to experience—by having them experience firsthand the work we are doing—they then can go out and tell that story,” noted a CEO. “They end up with their version of the story we’ve been telling them about the mission, and now they feel it.”

Mal Schwartz, President of MBS Associates, moderated a discussion focusing on other challenges being faced by organizations as they relate to boards.

The highlights included:

- Concerns over the preoccupation now with governance, disclosure, and ethics—topics which are often subjective. “These new elements of the game make it increasingly hard to get people to put in the time to serve on boards and deal with all that stuff,” one CEO said.
- “We don’t need them (board members) to be active in programs (like staff), but we do need them to be active on the board and out there raising resources.”
- “Our board members must be active on a committee.”
- “We are throwing out committee structure—that’s an invitation to micromanage. Now we only have key committees, like finance, development, etc. No longer a 1:1 board committee parallel with staff departments.”

- One agency recently instituted a term limit for its board chair to ensure a new perspective at regular intervals.
- Another organization has created a development committee and staffed it with younger members of the board. These next-gen members “impress the hell out of the older board members with their new ideas and abilities. We have also created a ‘leadership council’ made up of next generation board prospects which acts as an advisory group as well as a ‘farm team’ and we plan to funnel the high performers from this leadership council to the board as openings occur.”

The Institute for Nonprofit Excellence (INPEX), in partnership with MBS Associates, launched the CEO Forums in the New York area in the spring of 2007 to bring the top administrative officers of large New York area nonprofit organizations together to discuss issues and topics of mutual interest. CEOs of nonprofits with budgets above \$10 million annually are invited to contact Mal Schwartz at MBS Associates if they are interested in an invitation to a future CEO Forum. Schwartz may be reached via e-mail at malschwartz@inpex.us.

Schwartz explained that the two organizations have dedicated their businesses to building nonprofit capacity and supporting nonprofit excellence for two decades. INPEX, which has provided free training to more than 25,000 leaders from upward of 5,500 nonprofits worldwide since 1989, focuses on capacity building through “best practices” in board development, strategic planning, branding and fundraising. MBS Associates, a cause-marketing agency, has specialized since 1981 in helping large nonprofits benefit from strategic planning and ongoing management by objective disciplines while also linking large commercial companies with nonprofits in mutually beneficial cause-related grass roots marketing program relationships.

“The Institute for Nonprofit Excellence was founded by grantmakers on the premise that well-managed charitable organizations would be more attractive investments for philanthropists and more effective in managing the resources entrusted to them—a combination that would ensure growth in clients served and quality of programs. Foundations underwriting the work of the Institutes are (or have been): Blue Cross Blue Shield of North Carolina (which has sponsored INPEX training sessions for the past six years in that state); a group of community foundations in eastern Pennsylvania (which has sponsored the Institutes in that region for several years); Scott Paper Company; ARCO Chemical Company; Bell of Pennsylvania (now Verizon); The Templeton Foundation; and The Huston Foundation. The Charities Aid Foundation in England sponsored earlier Institutes.

“The Institutes have held many two-day sessions in the New York area in the past decade covering about 200 small to medium-size nonprofits. We have now introduced the Institute training concept in the New York region for large nonprofits and the response has been overwhelmingly positive—we seem to be meeting a very real need for nonprofit CEOs to convene, connect and benefit from each other’s wisdom and experience,” Schwartz said.

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