Introduction to Board Service
Agenda

• Welcome
• Why Board Service?
• Roles and Responsibilities
• Taking the Next Step
Welcome!

- CEO, Spark the Change Colorado
- Current Board Service: Serve Colorado, Colorado Voluntary Organizations Active in Disaster, Prospect Academy of Colorado
- First Board Service, American Business Women’s Association – as a business owner

Your Trainer: Kristy Judd

Ground rules:
- Chat any questions and comments throughout
- Video on and Smile
- Use Reactions – Raise your hand
Why Board Service

* Handout – Finding your Place in Board Service
Public, Private & Nonprofit Sectors

What’s the difference?

NONPROFIT SECTOR
Private & Public money for Public Good

PRIVATE SECTOR
Private money for Private Good

PUBLIC SECTOR
Public Money for Public Good
In both jobs (330,000) & GDP ($40 billion), nonprofits are a force for good in our communities well beyond their core mission areas. As major contributors to Colorado’s economy, nonprofits and their leaders are critical to community decision-making.

- **23,147** nonprofits in Colorado statewide
- **$40 billion** in economic impact
- **11.3%** of overall GDP
- **330,000** jobs directly + indirectly
Nonprofit Economic Impact in Colorado

For every $1 million spent, the private and nonprofit sectors create...

Nonprofits: 10 Jobs
Private: 7 Jobs
Diversity of Nonprofits

Most Popular Interests of Our Members

- Community
- Health & Medicine
- Diversity & Inclusion
- Education & Literacy
- Environment
- Advocacy & Human Rights
- Children & Youth
- Elderly
- Women
- Disability
- Art & Culture
- Homelessness & Housing
- Emergency & Safety
- Disaster Relief
- Veterans & Military Families
- Media & Broadcasting
- International
- Justice & Legal
- Environment
- Board Development
- Employment
- Refugees & Immigrants
- Arts & Culture
- Politics
- Sport & Recreation
- Faith-Based
- Race & Ethnicity
- Government
- Hunger
- Animals
Nonprofit Lifecycle


* Handout – Nonprofit Lifecycles
10 Basic Responsibilities
A Tale of Three Umbrellas

* Handout – 10 Basic Responsibilities
Establish Organizational Identity

- Determine Mission, Vision, and Purposes
- Ensure Effective Organizational Planning
Determine Mission & Purpose

- Periodically review the mission statement to ensure it is current
- Should articulate why and for whom the organization exists
- Drives organizational planning and priorities
Ensure Effective Organizational Planning

- Translate organizational mission into goals and objectives
- Traditional planning covers 3–5-year period
- Ask good questions
- Stay focused on the big picture
Ensure Resources

- Ensure Adequate Financial (& Volunteer) Resources
- Select the Chief Executive
- Build a Competent Board
- Enhance the Organization’s Public Standing
Ensure Adequate Resources

- Ensure diversity of funding sources
  - Contract
  - Contributed
  - Fee for Service
- Entire board should be engaged in fundraising process
- 100% participation in board giving
- CEO and development staff partner with board
- Effective Volunteer Strategy – Service Enterprise
How nonprofits are resourced (2020):

- **49% EARNED**
  - Private Fees for Services

- **31.8% EARNED**
  - Government
  - Grants/Contracts

- **8.7% DONATED**
  - Individuals

- **2.9% DONATED**
  - Foundations

- **1.5% DONATED**
  - Bequests

- **9% DONATED**
  - Corporations

- **5.2% Other**

SOURCE: IRS Business Master Files, Revenue Transaction Files, and electronic (e-File) Form 990 returns processed for fiscal years ending circa 2016 (June 2018) by DataLake Nonprofit Research (datalake.net), Urban Institute’s National Center for Charitable Statistics.
Charitable Giving by Source (2020):

Giving by Individuals
$324.10 billion
69% ↑ 2.2%
increased 2.2 percent over 2019.

Giving by Foundations
$88.55 billion
19% ↑ 17.0%
increased 17.0 percent over 2019.

Giving by Bequest
$41.91 billion
9% ↑ 10.3%
increased 10.3 percent over 2019.

Giving by Corporations
$16.88 billion
4% ↓ 6.1%
declined 6.1 percent from 2019.

*All figures on this infographic are reported in current dollars unless otherwise noted.
### Makeup of Charitable Giving in 2020

<table>
<thead>
<tr>
<th>Sector</th>
<th>Contributions</th>
<th>Percentage of Total Contributions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion</td>
<td>$131.08 billion</td>
<td>28%</td>
</tr>
<tr>
<td>Education</td>
<td>$71.34 billion</td>
<td>15%</td>
</tr>
<tr>
<td>Human Services</td>
<td>$65.14 billion</td>
<td>14%</td>
</tr>
<tr>
<td>Foundations</td>
<td>$58.17 billion</td>
<td>12%</td>
</tr>
<tr>
<td>Public Society Benefit</td>
<td>$48.00 billion</td>
<td>10%</td>
</tr>
<tr>
<td>Health</td>
<td>$42.12 billion</td>
<td>9%</td>
</tr>
<tr>
<td>International Affairs</td>
<td>$25.89 billion</td>
<td>5%</td>
</tr>
<tr>
<td>Arts, Culture, and Humanities</td>
<td>$19.47 billion</td>
<td>4%</td>
</tr>
<tr>
<td>Environment/Animals</td>
<td>$16.14 billion</td>
<td>3%</td>
</tr>
<tr>
<td>Individuals</td>
<td>$16.22 billion</td>
<td>3%</td>
</tr>
</tbody>
</table>

↑ indicates an increase compared to 2019, ↓ indicates a decrease, and - indicates no change.

Giving to public-society benefit organizations increased 15.7 percent in 2020, marking the eleventh consecutive year of growth for this subsector.
Typical Fundraising Opportunities

- Individual Donors
  - The Annual Fund
  - Major Gifts Program
  - Planned Giving
  - The Capital Campaign
- Foundation - Grant writing
- Corporate Gifts (sponsorships)
- Special Events

YOU will choose where you WANT to engage.
Step 1 – Planning

This level demands little personal risk but is critical to the success of the overall program.

Activities include:

- Prioritizing needs
- Deciding realistic revenue goals
- Understanding financials
- Evaluating progress
This level demands more direct involvement with potential donors and focuses on relationship building.

Activities include participation in:

- Provide names and contact info of prospects
- Facilitate introductions
- Recruit volunteers
- Assist in fundraising special events
- Thanking
Step 3 - Soliciting

This level focuses on asking others for contributions. It requires the greatest amount of flexibility and courage. It also requires the most patience and time.

Activities include:

- Contact local businesses
- Personalize solicitations -- add personal note
- Engage prospects or lapsed donors
- Ask selected individuals for specific gift
Select the Chief Executive

- Most important decision the board will make
- Must know the required skills and experience
- Doesn’t just stop with selection
Build a Competent Board

- Create and implement an effective nominating process
- Orient and engage new board members
- Have and enforce term limits
- Annually assess board effectiveness
- Understand organizational needs for board member skills, diversity, equity, inclusion and belonging
Build a Competent Board

Importance of Diversity, Equity, Inclusion & Accessibility

BoardSource Report - Leading with Intent

Key Findings:

- 22% of Board Members are People of Color
- 38% of CEOs feel their board represents the community they serve
- Board recruitment practices are not aligned with diversity goals
- Boards that include POC are more likely to have adopted DEI practices
Enhance the Organization’s Public Standing

- Board members act as ambassadors and advocates
- Develop and adhere to media plan
- Strategically communicate the organization’s communications plan
Provide Oversight

- Support & Evaluate the Chief Executive
- Protect Assets & Provide Financial Oversight
- Monitor & Strengthen Programs & Services
- Ensure Legal and Ethical Integrity
Support & Evaluate CEO

- Be clear about the job and clarify boundaries
- Regularly assess performance
- Provide appropriate compensation
- Act as true partners to the CEO
- Board chair/CEO relationship very important
Determine, Monitor & Strengthen Programs and Services

- Focus on organizational impact
- Decide among competing priorities
- Ask good questions about proposed programs and services
- Guard against “sacred cows”
Protect Assets & Provide Financial Oversight

- Review and approve the organizational budget
- Review and assess monthly financial statements
- Review the annual audit and 990 IRS Form
- Understand “red flags”
- Ask good questions
Ensure Legal & Ethical Integrity

- Compliance, transparency and accountability
- Ensue adherence to local, state and federal laws applying to nonprofits
- Act in accordance with organizational bylaws and articles of incorporation
Your Responsibilities
What are YOUR Responsibilities?

- Legal
- Ambassador
- Volunteer
3 Legal Duties of Every Board Member

- Duty of Care
  - Pay attention to the organization’s activities and operations

- Duty of Loyalty
  - Put the interests of the organization before personal and professional interests

- Duty of Obedience
  - Comply with applicable federal, state, and local laws; adhere to the organization’s bylaws; remain guardians of the mission

* Handout – Legal Duties of a Board
As a Volunteer & Ambassador

- Commit to prepare for board meetings
- Be willing to work on committees
  - Committee option and benefits
- Find your place in fundraising
- Bring others to the organization
- Have courage to ask tough questions
First steps to fulfilling your duty

Believe in the Mission - Start with Why

*Why* is this important for the community?

“Purpose is the thing in your life you will fight for…without purpose, it is all but impossible to be fully engaged.” - Jim Loehr

“People don’t buy WHAT you do, they buy WHY you do it.” - Simon Sinek

Continue to Increase Your Knowledge

- Attend activities of the organization
- Read newsletters, websites
- Ask staff to present program information at Board Meetings

Goal: Describe impact of mission, some results, have a success story to share
Finding the Right Board: Next Steps
Step 1: Self Assessment

Things to think about:
- Is this a personal passion? A professional expectation? Or both?
- How can you align service to personal growth?
  - Leadership, skills, and professional development
**Step 1: Review your Road Map**

Where you’d like to serve based upon:
- Size and type of nonprofit
- Communities served/areas of impact
- Lifecycle stage that is interesting
- Skills you’ve identified that you’d like to use – or not
- Situations that give you energy
- Meet your goals

**Answers the question**…

“Why you want to be a Board Member on this **specific** nonprofit organization?”
Step 2: Explore

*To find the right nonprofit that matches your list:*

1. Review your own relationships and places you’ve volunteered. You may be already connected to the right board.
2. Ask your friends! (I’m your friend).
3. Attend a BoardMatch Connection Event – Zoom event (12-09-2021)
Step 3: Research

Questions to ask, beyond the mission…

- Gather background information
- Determine financial health
- Is this nonprofit in the right life cycle stage for you?
- Who are the current board members?
- What will they expect from you? Responsibilities.
- What are the fundraising expectations?
- What are their goals for the next 3 years?
Step 4: Evaluate the fit

- Final self exploration
- Meet the Executive Director/CEO
- Attend a Board Meeting
- Volunteer – yes volunteer!
- Start by serving on a committee
- Determine the nominating and/or application process and timeline
Meanwhile, the nonprofit process...

- Publicize
- Application
- Interview
- Selection
- Election
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