



**spark the change**  
**COLORADO**

*formerly Metro Volunteers*

**Empowering Changemakers. Igniting Service.**

# *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

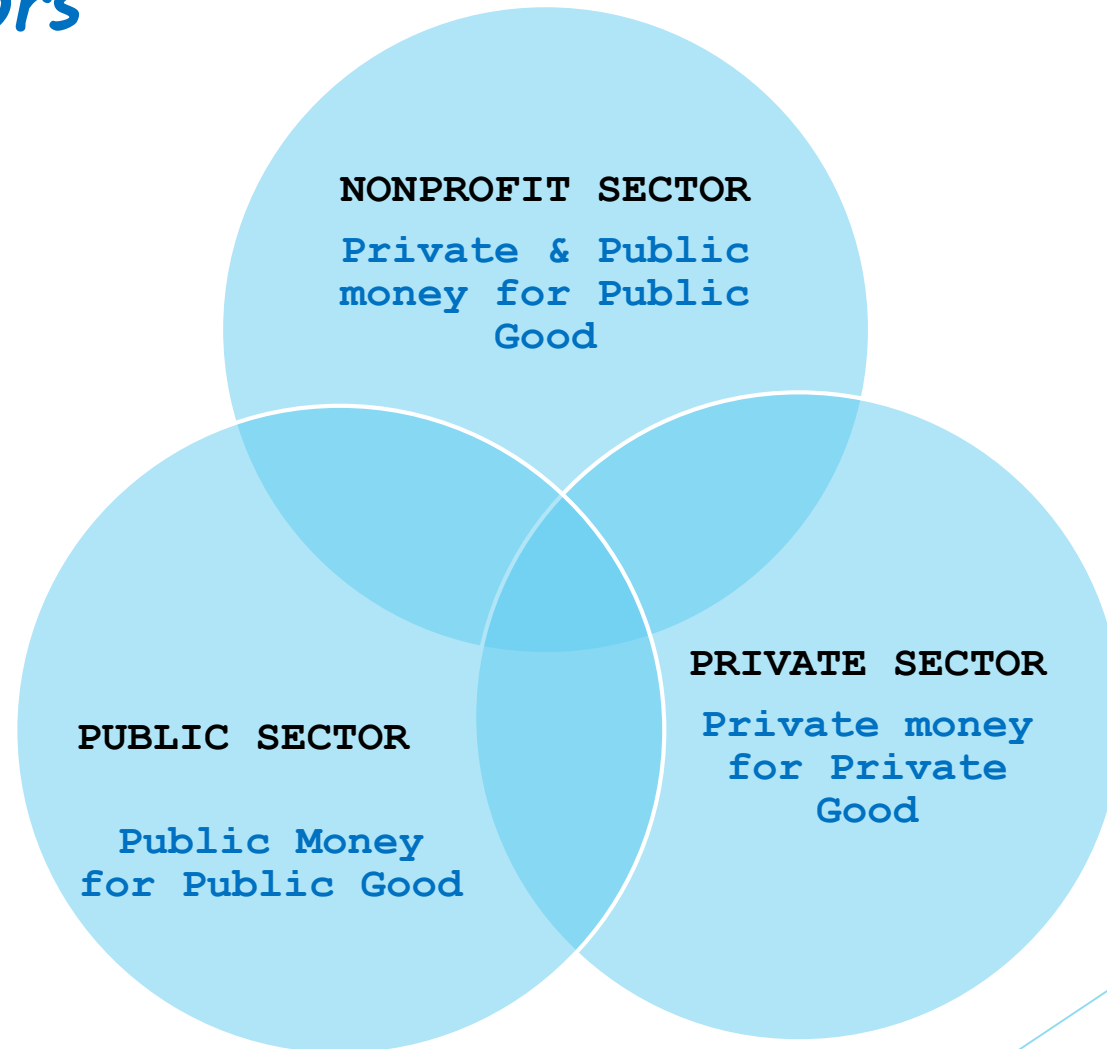
# Why Board Service



*\* Handout – Finding your Place in Board Service*

# Public, Private & Nonprofit Sectors

*What's the difference?*



# COLORADO NONPROFIT **ECONOMIC IMPACT** REPORT

## **KEY** FINDINGS

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



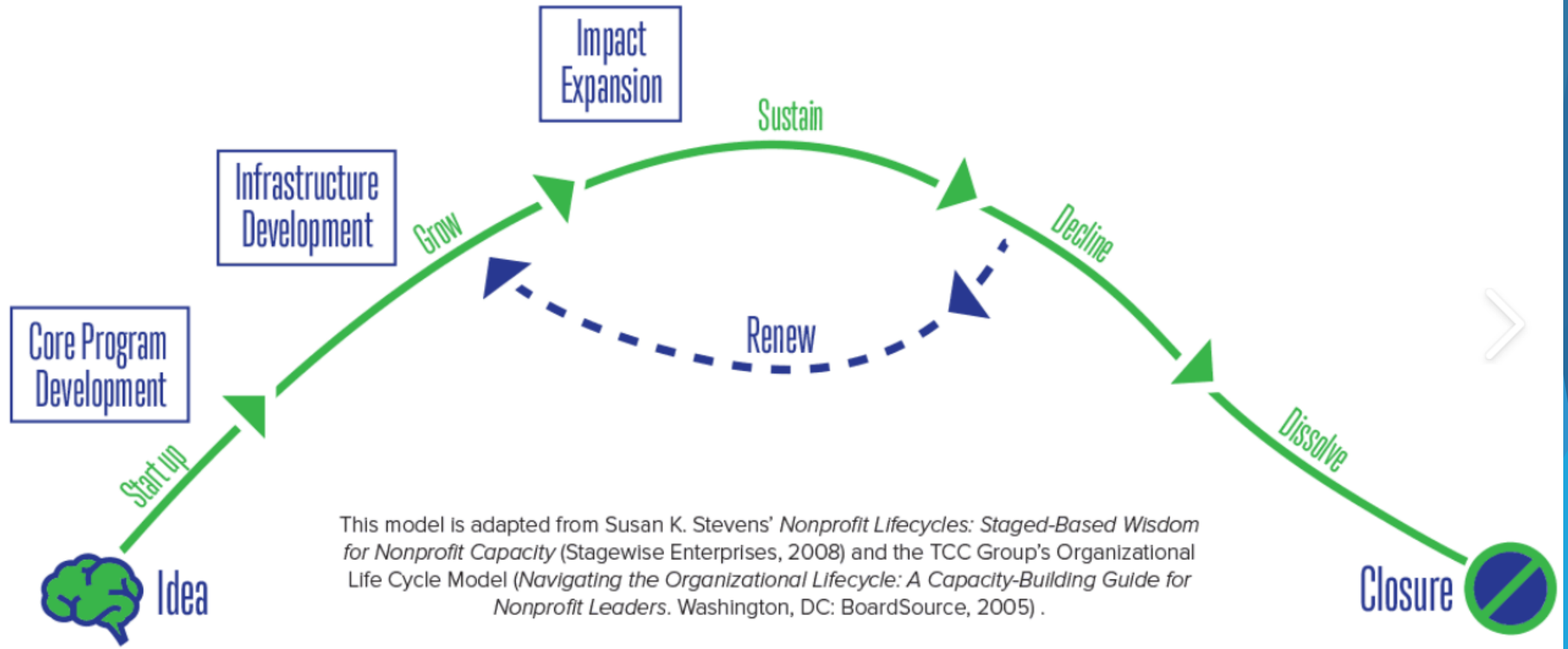
# Diversity of Nonprofits

## Most Popular Interests of Our Members





# Nonprofit Lifecycle





# 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.

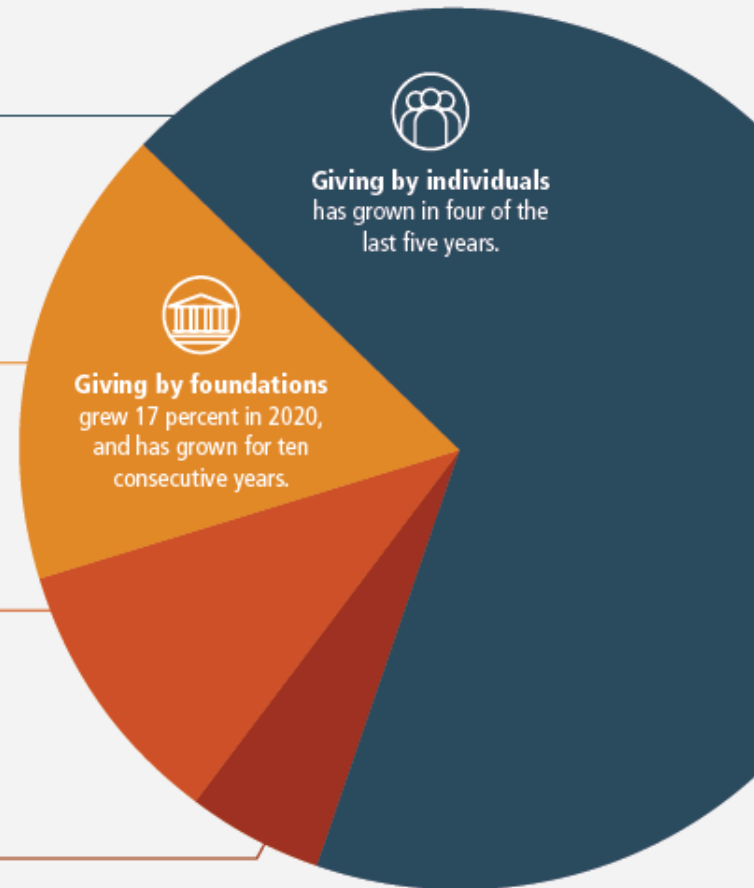
## Giving by Corporations

\$16.88 billion

4% ↓ 6.1%

declined 6.1 percent from 2019.

Giving USA 2019



\*All figures on this infographic are reported in current dollars unless otherwise noted.

# Makeup of Charitable Giving in 2020



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

## Step 2 - Networking - Stewarding

***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
- ▶ Ensure 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

## *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*

**Change Lives. Save Lives. Impact Lives.**



# *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)
4. Use Spark's website: [www.SparktheChangeColorado.org](http://www.SparktheChangeColorado.org)

## Step 3: Research

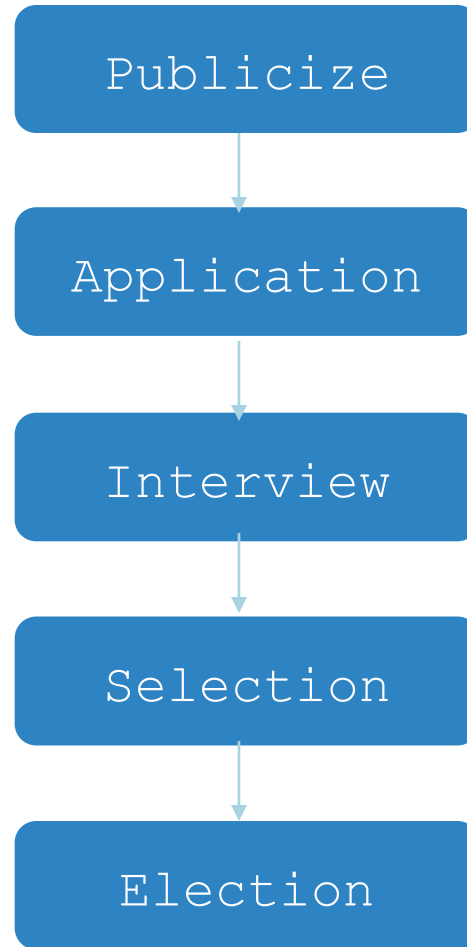
Questions to ask, *beyond the mission...*

- 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...*





## Q&A & Contact Info

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