

Development Companion

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A PRACTICAL GUIDE FOR CEO'S & DEVELOPMENT PROFESSIONALS FROM DEWITT & ASSOCIATES

“Integrity – Your Organization’s Most Important Asset

By Brydon M. DeWitt, President

The Slippery Slope

The stories of nonprofit organizations that have misled the public or have mismanaged resources are thankfully few. But, whenever they appear, there is inevitably a negative effect on the whole charitable community.

Of all the resources your organization possesses, none may be more important the good opinion held by the community and your supportive constituency. When there is a sense of trust of the Board and management team, when programs and services are delivered as advertised, when donors feel confident that their dollars are being used wisely, then the organization has a receptive audience who will be more likely to respond to meet current and future needs. However, once that trusting relationship is disturbed, it becomes difficult – at times impossible – for an organization to regain its public respect. Such breaches of trust can begin with innocence and/or carelessness:

- The system of receiving, recording, and acknowledging gifts is awkward or cumbersome and presents opportunities for inaccuracies as well as untimely expressions of thanks to contributors;

- Questions raised by supporters and prospects are not dealt with in a timely fashion;
- Funds are solicited without an explainable reason for their use;
- Contributions solicited and received for a purpose subsequently fully funded are used for another pressing need without asking the donors’ permission;
- The annual report does not adequately tell donors and the public of the financial health of the organization and how contributed funds have been used.

These and many other large and small operational matters can lead to an unhealthy relationship with your supporters and the public. Trust, once lost, can be very difficult to regain.

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In the words of Shakespeare:

“Who steals my purse steals trash; ‘t’is something, nothing.

‘T’was mine, ‘t’is his, and has been slave to thousands;

But he that filches from me my good name robs me of that which not enriches him

And makes me poor indeed.”

Creating and Keeping the Environment of Trust

The “Holistic” Nature of Organizational Character

The success of a nonprofit in building and maintaining the good will of its community and supportive friends depends upon the efforts of each person who serves it, whether as a staff member or a volunteer. This can be defined as “holistic” because how one performs his/her job, speaks of the organization, tells its story, represents it through their lives, helps create the organizational environment for public trust. Moreover, it enables the building of relationships with appropriate persons who will find their needs met by providing the human and financial resources to meet your nonprofit’s needs.

Building trusting relationships for the organization, then, does not begin and end with the administrators or in the development office. Every staff member, every Trustee, every consumer, every volunteer contributes either positively or negatively to the organization’s reputation – and its long-term viability.

The Role of the Governing Board

The ultimate responsibility for the integrity of the organization rests with the Governing Board. This group of women and men own the organization.

Board members have been defined as holding a charter of public trust for the organization. Throughout history, Trustees have been respected as guardians, conservers, protectors, sometimes, watchdogs for special interests or special publics. It has been the Trustees’ role to hold the line, to observe traditions, to react wisely and cautiously, to be a court of last resort. There are four principal responsibilities of Board members, individually and collectively: **Policy-maker, Steward, Ambassador, Builder**

In fulfilling each, Board members contribute to the environment of trust for their organization as well as insuring its health and productivity.

As **Policy-makers**, Board members need to be guardians of the mission of the organization they hold in trust. The mission is the fundamental statement of the organization’s identity – who it is and who it serves. Everything the organization is doing and proposes to do must fall within the scope of the mission. If the public begins to question whether the organization is adhering to its mission and purpose, then the sense of trust held by the public will diminish. Further, they must ensure that governing policies enable the CEO to manage effectively the nonprofit to work toward fulfilling its mission.

DeWitt & Associates, Inc. offers a full range of services to meet each client’s needs.

- ◆ Building and operating effective programs to raise friends and funds
- ◆ Capital campaign planning and counsel
- ◆ Campaign readiness studies
- ◆ Improving/beginning annual fund programs
- ◆ Marketing and communications programs
- ◆ Strategic planning that builds prospect ownership
- ◆ Case statement development and use
- ◆ Electronic prospect research and donor data systems
- ◆ Foundation grant-seeking expertise
- ◆ Establishing/improving major gifts programs
- ◆ Setting up and implementing planned giving programs
- ◆ Event planning and management
- ◆ Development program studies and audits
- ◆ Board workshops and retreats
- ◆ Executive search

In their role as **Stewards**, Board members must insist that the organization operate on sound business management principles for the protection of its funds and properties. Among other things, it means that the budget should receive careful attention to make certain that it provides for the funding of programs and activities consistent with the mission. A fiscally sound and well-managed organization makes a strong statement to its friends and potential supporters.

As **Ambassadors**, Board members carry the story of the organization to the public. Today, Board members cannot just react, they must initiate. They do not just hold the public trust, they must generate trust. Board members must do more than lend their names, but assume an active role in promoting and defending the organization.

Finally, as **Builders**, Board members are responsible to their organization and to society to build and sustain a comprehensive development program to support the ability of the organization to fulfill its mission. This would include:

- ✓ Insisting on the production of a strategic plan that maps the direction of the organization for the next three years;
- ✓ Requiring the building/strengthening of an annual fund for current operations and an ongoing program to raise major gifts; Inviting others, as appropriate, to learn about and become involved with the organization;
- ✓ Making an annual gift to the organization commensurate with ability;
- ✓ Providing an appropriate capital gift either during lifetime or through estate planning;
- ✓ Assisting in identifying, cultivating, and, when appropriate, soliciting gifts from others.

Arlo Schilling, former President of North Central College, Naperville, Illinois, summarized the importance of trustees:

“A strong Board of Trustees does not guarantee a strong organization, but every strong organization has a strong Board of Trustees. Where Boards have been strong, well organized, and committed, the organizations, while they may be undergoing financial pressure, still face the future with expectations of success and continued viability. Where the Board is weak, badly organized and uncommitted (often non-committed) the organization is usually in deep trouble.”

The Role of the Chief Executive

The Chief Executive is the public embodiment of the organization. Successful results for the organization depend upon the CEO's ability to exemplify the character, the life style, the hopes and aspirations of all those who comprise the organization at any given moment. Benefactors want to know what it is the organization is trying to accomplish and how it expects to achieve its objectives. The CEO must understand how his or her constituents perceive the character and goals of the organization, and he/she must provide them with a clear, consistent, honest message to garner their support.

As the Board's (the owner's) representative, the CEO should strive to keep the members informed about the state of the organization, including the financial status, operational needs and difficulties, public relations challenges, and the joys that occur. The Board carries the fiduciary, legal, and financial responsibilities for the organization. The CEO should expect Board members to ask relevant questions, request additional data, and scrutinize budget and program materials. The wise CEO cultivates and maintains a relationship of mutual trust so that the organization's leaders hip faces the internal and external publics united.

The CEO sets the tone for the public persona and the day-to-day management of the organization. He or she must provide direction for:

- Working with the Board to keep all programs and activities within the scope of the organization's mission;
- Insuring accurate recordkeeping and reporting of all funds acquired and used by the organization;
- Making certain that the wishes of the donor are recorded and respected;



- Publishing materials that contain accurate information about the organization's programs and progress;
- Practicing the Hippocratic oath of fundraising -- Make no recommendation that would harm the donor or the donor's family in solicitation activities;
- Hiring staff members who bring personal integrity as well as professional skills to the organization.

Most of all, there is no substitute for maintaining high standards and a sense of personal honor as an example to staff as well as the public.



The 2016 Millwood Institute just concluded at Carter Hall Conference Center in Millwood, VA. Put October 1-3, 2017 on your calendar and consider enrolling your CEO and Board chair for a one-of-a-kind educational experience. Check the website for details: <http://millwoodinstitute.org>.

**Dr. Ed Ayers,
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Emeritus of
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Keynoting
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DeWitt & Associates, Inc. is a full service nonprofit management consulting firm. Serving clients for 21 years, the DeWitt Consultants have more than 180 years of experience to provide counsel to clients in: Fundraising; Marketing/Communications; Interim Executive Management; Executive Search, Selection, and Coaching; Support and Training for Boards of Directors and Organizational Staff Members; Strategic Planning; Organizational/Operational Assessment; Executive Succession Planning; Crisis Management.

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