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[Board Cafe](#) ^[1] • By Jan Masaoka • September 12, 2009 • [Email](#) ^[2] [Print](#) ^[3]



Are board giving requirements a best practice or a bad idea? We report on trends and explore the real questions:

Few debates can rile up board members more than the question, "Should our board have a giving requirement?" Many of us know from firsthand experience that discussions addressing this question are often characterized by frustration, bewilderment, sarcasm, absolute certainty, or even anger.

Unfortunately, there's no definitive answer to the question, because having a requirement for giving does work for some boards, but not having a requirement works just as well for others. There are substantive, valid arguments to be made on both sides of the debate:

Proponents of required giving believe it signals board member commitment, at the same time giving board members a sense of investment and shareholder stake in the organization.

Institutions such as universities, operas, museums, and others whose board members are recruited mostly for fundraising are where one sees required giving most frequently, at levels ranging from \$500 to \$2,500, \$10,000 and so forth. And in the stratosphere of board giving, one major university expects (requires) trustees to make personal gifts of \$20 million each during the period of their trusteeships.

Reflecting frustration dealing with her board, an executive recently exclaimed in anger and disgust, "My board won't even agree to have a minimum donation requirement!" The intensity of her emotional reaction reveals that it isn't just the few thousand dollars (presumably) lost that is bothering her; to this executive it's a symbol of the failure of board members to show their personal support for her and the organization.

Trends

In a 2007 national survey, [BoardSource](#) ^[4] found that only 27% of nonprofit boards have minimum giving requirements. Another 28% require board members to donate, but do not

specify any amount. But nearly half -- 45% -- do not have any requirement at all.



For boards that *do* have a minimum giving requirement, the average requirement is \$150/year. With U.S. boards averaging 16 members, these donations would result in \$2,400 per year . . . hardly an amount to be felt in most organizations.

Perhaps far more intriguing is what the fundraising company Marts & Lundy found ^[5]: "There are no apparent differences in board member unrestricted annual fund giving between those institutions with explicit contribution requirements, and those without." In other words, the percentage of board members who make financial contributions was roughly the same whether or not the board had a specified giving requirement.



The type of board seems to be more relevant to board giving than whether or not there is a giving requirement as shown in the chart to the right.

Both the BoardSource and the Marts & Lundy studies are weighted more towards larger institutions than community-based nonprofits usually are. But it's telling that even in these institutions, board giving is a more complicated matter than just having a requirement.

Different economic backgrounds and abilities to give

Those who argue against minimum giving requirements say that the policy limits board participation to people of economic means, disqualifying from board leadership voices and perspectives of lower-income community members. There may be other board members who have lost jobs or savings and can no longer give at the level to which they committed three years ago. Another case against specified donation amounts is that board members tend to give at the minimum stated level, whereas if there were no specified amount, some would give more.

(Some boards are told that funders will ask whether 100% of board members make donations as one criterion for funding. Rather than use the possibility of this rare occurrence as a club to beat board members into giving, in the unlikely event that you do get this question, answer cheerfully, "We're working on it!" and then do so.)

Even \$150 may be more than some board members can afford to give. Boards that value having members with different income levels and backgrounds may be uncomfortable with requiring any set amount. As a result, language to convey giving expectations may include such statements as:

- "Board members are expected to make an annual financial contribution that would be considered generous for them."
- "Board members will give annually at a level that is meaningful to them."
- "Board members will make giving to this organization a priority (or one of their top three donation recipients)."

For some board members, a meaningful personal donation might be \$10, while for another on the same board, a gift of \$5,000 would be a reasonable expectation. The Marts & Lundy survey suggests that when organizations adopt these kinds of general guidelines, they do so to avoid having to "enforce" rules.

Some boards that want to require board fundraising employ the "Give, Get or Get Off" policy: requiring each board member, for example, to give \$10,000, obtain \$10,000 in donations, or leave the board. This distasteful slogan (sometimes shortened to "Give or Get"), again works for some boards, but not for many others. And sometimes a kind of reverse pride sets in where people are self-righteous about NOT knowing anyone who could make a major gift.

Let's get real

There are boards where fundraising and personal giving is explicitly ruled out and there are boards that do almost nothing besides raise money. It would be nice if there were no requirements, and every board member gladly made an annual financial donation at a meaningful level. It would be nice if we didn't argue over board giving requirements as a substitute for discussing deeper dissatisfaction with a board member's performance.

In terms of overall financial viability, board donations and board-solicited donations are seldom make-or-break-it amounts for nonprofit organizations. What's more important is that the organization have a strategy for financial viability that includes the right mix of donations, grants, earned income, government contracts, and so forth. Board members

often help organizations financially in high-impact ways by developing income in areas other than their own individual direct donations.

Prospective board members should be told whatever expectations exist, and given a chance to bow out of the process if they aren't comfortable with them. And all things considered, we think it's a good idea to have a formal expectation that every board member will help the organization bolster revenue. Here are some sample statements that clarify a variety of types of board member support:

- "Each year before December 1, I will make, without being reminded, a personal financial contribution to our organization at a level that is meaningful to me," or
- " I will (choose one or more) make calls during the annual phone-a-thon introduce the director to corporate contributions officers, identify RFPs for government contracts, chair the Annual Luncheon Committee, contact at least four elected officials to encourage funding of our organization."

Even on boards where there is a giving requirement, many board chairs and executives have difficulty getting everyone to make the final leap from the debt implied of a contribution requirement to the actual writing of the check. In our next Board Cafe column we'll discuss some tips on painless pulling of teeth.

Jan Masaoka, Editor of *Blue Avocado*, is a board member of [Save the Bay](#) [6] and [New America Media](#) [7], and has already made her annual donations to both. :)

See also:

- [Fundraising Confessions of a Former Camp Fire Girl](#) [8]
- [What's the Best Way to Raise Money? Determining a Revenue Strategy](#) [9]



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