



CHAPTER 9

***Engaging Organizations and Developing
Relationships With Their Leadership***

IN MANY INSTANCES, you can conduct adequate due diligence on a nonprofit without ever communicating with the organization's staff—using information from its website and from third parties. Also, in many cases—especially but not only with large national or international groups—you will feel satisfied with monitoring work from a distance rather than personally engaging the organization.

There are, of course, many instances when you believe that direct engagement will provide you with valuable information and, indeed, when your engagement can make a contribution beyond your monetary gift.

This chapter will help you answer three questions:

- When and how should I engage with a nonprofit organization I am supporting or considering supporting?
- How should I manage relationships with the organizations that I fund?
- How can I add value beyond my dollars?

Three Fundamental Questions About Donor Engagement

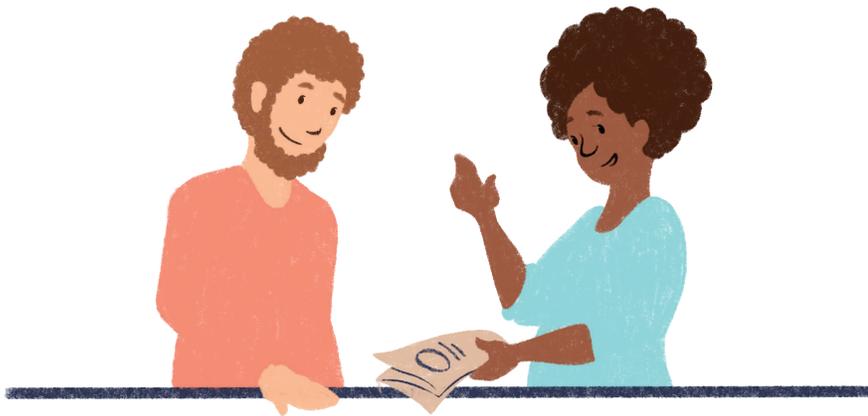
Here are three fundamental questions that can guide your engagement with a nonprofit organization:

1. **Will my engagement help the organization succeed in its mission?** If the answer is yes, then the dollar amount of your (potential) gift is irrelevant. Just be sure the organization really wants and has the capacity to leverage your help.
2. **Will my engagement provide important information** for my due diligence before making a gift, or for monitoring to learn about the organization's ongoing performance and decide on future gifts? If the answer is yes, the nature of the engagement and its burden on the organization's staff should be calibrated to the size of your gift—some combination of the absolute amount and its proportion of the organization's annual budget.

3. **Will my engagement be personally rewarding**—for learning, interest, fun, etc.? One should have a presumption against this as a rationale for engagement independent of the first two. But for a very large gift, perhaps this suffices—as long as it doesn't impose too great a burden on the organization.

It should go without saying, but it is worth emphasizing, that personal engagement with an organization's staff should begin with an appreciation of their other responsibilities and should involve respectful listening on your part. After all, chances are that they have more knowledge about their strategies and needs for accomplishing their mission than you do. Successful interactions with the organization build trust and mutual respect, with both parties coming away having benefited from the engagement.

When Should I Contact an Organization for Further Information?



For many gifts, thorough online due diligence should give you sufficient confidence in the organization's leadership, strategy, and implementation. In this case, there is no need to ask for meetings with an organization's leaders before making a gift.

Nonetheless, your online due diligence may leave you with outstanding questions. Should you contact an organization, solicit additional documents, conduct site visits, or interview relevant staff members or friends? Factors to consider:

- **The importance of unanswered questions:** Consider whether unanswered questions are material to your decision to give.
- **The size of your potential gift—both in absolute terms and relative to the nonprofit’s budget:** We recommend that you contact a nonprofit only if you are seriously considering a large gift or a gift that will support a significant portion of the organization’s budget. Although the actual number will vary, a six- or seven-figure gift, even if it supports a small fraction of a large multinational organization’s budget, would likely justify your personal contact—with due recognition of other demands on the staff’s time (See **Chapter 8: Due Diligence** for more information on contacting organizations during the due diligence process).
- **Your potential willingness to donate:** If you contact an organization, it may interpret your contact as a signal of a forthcoming gift. We suggest that you not contact the organization unless you are prepared to make the gift if the organization passes your due diligence process.

If you are already funding an organization and are interested in being involved in its work, you can explore opportunities to contribute your time or talents through volunteer opportunities (see section below).

Q. Should I take a different approach to small, community-based organizations, especially those involved in grassroots movements?

A. The basic approach is the same, but it’s all the more important to be respectful of the organizations’ autonomy and limited time. Beyond this, some funders—especially those supporting social justice movements—may be committed to a “hands-off” approach that intentionally delegates considerable decision-making responsibility to community groups.

Q. As a funder, should I seek to influence an organization’s work?

A. Any nonprofit organization worthy of your support will have a formal governance structure. In general, unless you are on its board or have been asked for advice, it is not appropriate to try to influence an organization’s work.

If the organization’s leadership seeks your advice, you should feel free to offer it—with awareness that they may wish to please funders to maintain their support. Developing an honest and mutually beneficial relationship requires listening well, with respect for the organization’s expertise, ideas, strategies, and needs.

Adding Value Beyond the Gift: Volunteering, Including Board Service

Q. How can I contribute my time and talents, in addition to money, to an organization?

A. Donors sometimes can add value beyond their gifts by lending their time and expertise to an organization. At the same time, they may find satisfaction in personal involvement that connects with their philanthropic passions and deepens their understanding of their focus areas. As long as your main objective is to help the organization fulfill its own mission and priorities, the experience can be mutually beneficial.

Some kind of help is the kind of help that helping’s all about,
And some kind of help is the kind of help
We all can do without.
—Marlo Thomas, Helping
Free to Be You and Me (Marlo Thomas, et al.) Words by Shel Silverstein.

Volunteering



Q. How can I learn about volunteer opportunities with a nonprofit organization?

A. Some organizations have needs for volunteers—from serving food in a soup kitchen to serving on the Board of Directors.

Nonprofits may post information about open volunteer positions on their website. You can also reach out to an organization’s staff. An organization that makes use of many volunteers may have a volunteer coordinator, or you can inquire through its general information contacts.

You may be able to volunteer in ways that take advantage of your particular expertise and connections. For example, you could leverage your networks to fundraise on behalf of an organization you strongly believe in, host fundraising events, or speak at events to advocate for the organization.

When considering volunteer opportunities, reflect on the best ways you can contribute to an organization. Be considerate of its staff’s time when seeking volunteer opportunities.

Board Service



Q. What are the roles and responsibilities of a nonprofit organization's Board of Directors?

A. A nonprofit organization's board plays a role in its governance and in meeting its fiduciary responsibilities as a public charity. The board aims to ensure that the nonprofit achieves its social mission while maintaining good organizational health and high ethical standards and complying with the laws concerning its operations. A board typically oversees an organization's budget and finances, legal compliance, and strategic planning. The allocation of governance responsibilities between the board and CEO varies among organizations and may depend on the laws of its state of incorporation as well as its charter.

Board members owe duties of care, loyalty, and obedience⁵⁸ to their organizations. Board service often entails significant preparation for meetings and work on subcommittees, in which members review legal, financial, investment, and strategic matters. Nonprofit board members are usually not compensated and, indeed, are often expected to make personal contributions and help raise funds from others.

In addition to the individual talents that board members bring to an organization, they must be good collaborators with one another and with senior staff members, and they should be consensus-oriented.

Q. Why might I join a board?

A. The primary reason for serving on a board is the organization's and your shared belief that you can add value through the roles mentioned above—roles that call for good judgment and collaborative problem-solving skills as much as expertise and fundraising networks.

Board service is not an appropriate means for shepherding your particular financial contributions to an organization.

Q. What should I consider before joining a board?

A. Learn what the organization expects of its board members—for example, how many meetings of what length does it hold, what are the norms regarding preparation and attendance, and what does it expect of board members between meetings, whether on committees or otherwise? Are you expected to donate money to the organization and, if so, at what level? Some organizations have written description of board members' duties.

Also, try to understand what the organization wants from you in particular. Is it your professional expertise—for example as a lawyer, accountant, or investor? Or perhaps is it because of your capacity to give at a high level and your access to other donors? Think about whether you're comfortable playing those roles.

Also consider what you want to get out of the experience. Do you hope to increase the organization's impact or your knowledge about its area of work? Do you hope to have access to certain other board members or to benefit from the prestige of your affiliation with the organization?

As you consider board service, make sure that your and the organization's expectations are aligned. Also consider your own exit strategy if things don't work out.

Q. How can I join a board?

A. Deciding whether to join a board requires the same degree of due diligence you would engage in before making a significant gift to the organization. If you're interested in an organization but haven't been invited to join its board, you may wish to seek out current board members directly or through a mutual acquaintance.

DONOR STORY

Finding the Right Level of Engagement with Nonprofits—*Paul and Iris Brest*

We have contributed to many different organizations over the years, with our engagement pretty much aligned with the three questions mentioned at the beginning of this section.

We give regularly to some national organizations, such as Planned Parenthood, without any personal engagement whatsoever. Those organizations are aligned with our values and objectives and we are confident about the quality of their leadership and impact based on third-party information. While they sometimes contact us—with the not-so-hidden agenda of asking us to increase our commitments—we have no need to engage with them either to do due diligence or because we can provide assistance that they can't get elsewhere.

On the other hand, we have been highly engaged with some organizations when we needed first-hand information for due diligence or thought we could provide assistance. For example, we were early supporters of the Classics for Kids Foundation, which provides stringed instruments to children in disadvantaged communities. The organization did not yet have a track record, and we engaged with its founder to learn about its strategies, budget, and operations in detail—and to provide advice on some of these matters. And Paul was a founding board member of the Climate Policy Initiative, where he has contributed to the governance of a multifaceted organization with a large and complex budget.

We have joined boards of organizations—large and small, local and national—when we thought this would contribute to their impact by helping with governance, fundraising and, in several, instances fraught leadership transitions. But Paul resigned from the board of a prestigious university after one term; though it gave him fascinating insights into the faculty’s cutting-edge research, the university did not need whatever expertise he could bring to the table.

With few exceptions, our engagement with nonprofits has been deeply personally rewarding—indeed fun—because we believed we were making real contributions to the organizations’ impact. But we also have gotten tremendous satisfaction from the work of organizations in which our only engagement was writing a check, knowing that every dollar contributes incrementally to their impact on issues we care deeply about.

ACTIVITY REFLECT ON YOUR TIME AND TALENT

Volunteering

If you think you might like to volunteer your time for a particular organization, ask:

1. Is that organization accepting volunteers? What responsibilities do volunteers have?
2. Do I have the skills, expertise, or connections to be helpful to the organization?
3. What is the time commitment for volunteers at the organization, and am I able to commit the necessary time?

Board Service

Board members offer a variety of skills and expertise, often based on their experiences and professional work, to assist with the overall functions of the board. How you can make a difference in the organization depends on its needs.

If you're interested in board service, ask:

1. Do I have enough time for board service?
2. Am I willing and able to meet fundraising expectations?
3. What skills and expertise can I offer the organization's board?

For resources on board service, see *BoardSource and the Balance*.⁵⁹

Developing Relationships with Organizations Takeaways

- ➔ If you've conducted thorough due diligence of an organization and feel confident that it will use your gift wisely, there may be no need to further contact the organization before making the gift.
- ➔ If you think you can add value beyond your gift or want to be more involved in your focus area, consider volunteering with the organization, including serving on its board.

DONOR STORY

The Role of the Donor—*Kathy Kwan*

The donor journey can be many things all at once for the individual donor: rewarding, humbling, lonely, exhilarating, and exasperating. Having funded more than 60 organizations over the last 14 years, I have found each experience to be unique. Almost always, I am excited about how my grantees positively impact their beneficiaries and am awed by their personal dedication and commitment to make the world a better place. That said, I have found that my personal satisfaction rests in my ability to establish an effective donor-grantee relationship. Some rules of thumb that have worked for me:

- **I have a unique set of personal responsibilities.** It's my role—as a donor—to have a clear focus about what I want to achieve with my philanthropy. In this capacity, it's my job to find and partner with organizations that align with my objectives. To be successful, I need to ensure that my partners are led by strong leaders, are financially responsible, and are committed to meeting our shared goals.

- **I aspire to be transparent and honest about my motivations.** I'm human—if I get involved in something, I'm personally invested, and let's be honest, I want something out of the relationship—whether it's wanting to “help,” being part of something bigger than me, bragging rights, a plaque, a sense of personal satisfaction, or whatever. It's my money and I want to see something come of it.
- **Successes and failures are ultimately in the hands of the grantee.** The organizations I support are the primary designers and executors of their strategies. As the funder, I need to respect them and cede day-to-day management and decision-making to the leaders of these organizations—even and especially as it pertains to my grants.
- **I am part of an ensemble. I am not a soloist.** Usually, I am one of many stakeholders at the table. Each of us brings a nuanced and personal perspective, and the grantee needs to balance our strengths, priorities, and competing agendas.
- **Money does not automatically buy influence.** Beyond being a funder, a donor can play myriad influential and valued roles: catalyst, thought-partner, trusted advisor, connector, valued board member. These roles are earned, not granted. It takes time for both the nonprofit and the funder to build rapport, trust, and credibility.

No one is perfect, and every so often, things go haywire: I become too emotionally involved, a suggestion goes unheeded, I might feel slighted, or my contribution isn't acknowledged in a meaningful manner. In these moments, I have had to learn to lick my wounds, take a chill pill, and objectively assess the situation. I ask, “How much of this is about me and my expectations?” “Could we have avoided this situation?” “What is the context and what are the competing externalities and priorities?”

I am both inspired and humbled by my philanthropic “journey.” I am addicted to the sense of satisfaction I get six months, a year, or even two years down the line as I watch the programs I've funded come to fruition and my grantees grow and evolve. And that's what brings me back to philanthropy year after year.

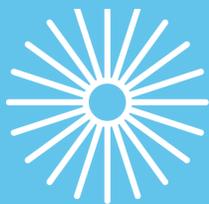
THE STANFORD PACS

GUIDE

TO EFFECTIVE PHILANTHROPY

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