

The Role of the CEO in Fundraising

What does the CEO (or President) of a non-profit need to do in terms of fundraising? While it's different for every organization, there are several things that each CEO needs to consider as he/she oversees the fundraising program.

1. Establish an ethical development program.

This was essential long before Sarbanes-Oxley. Any mismanagement or impropriety in the fundraising program will have negative results for years to come. Even something as simple as using gifts for their intended purposes is not a given with everyone. The CEO is the one who sets the tone for ethical practices. As the top fundraiser in the organization, the CEO is personally responsible for the integrity of the development program.

2. Be the most important voice for philanthropy in the organization.

Many people would not choose to do fundraising, even CEOs. Yet, in non-profit work, it's an important element of an organization. The CEO needs to become versed and experienced in fundraising in order to give it the priority it needs to be effective. One important way to do this—the Chief Development Officer needs to report to the CEO. This gives credible positioning for the CDO in the community and with volunteer leadership.

3. Make philanthropy a priority in the organization through positioning and budgetary support.

Fundraising is likely the most profitable activity in a non-profit organization. With scant FTE support in comparison to other areas, philanthropy is very cost-effective and has impact in the community. Naturally, development needs adequate budgetary support, as well. This is a *direct revenue generator* and should not be caught up in "across the board" budget cuts.

4. Push for maximum, sustainable, net return on investment.

This is what a development program needs to aim for and achieve. It's important to increase the *net return* that fundraising gives to an organization. This is how much money is left after deducting fundraising costs. It also needs to be *sustainable*, meaning that quick fixes don't usually work, that hiring talent is crucial, and planning for the long-term health of development might be difficult but is absolutely necessary.

5. Cultivate prospects.

Even if the CEO doesn't think he/she is good at fundraising, don't underestimate

the power of the office. The CEO needs to work with the development staff to target the most effective cultivation opportunities with donors, especially major donors. The CEO needs to keep a high profile whenever possible.

6. Solicit prospects.

It's surprising how many gifted CEOs don't mind the cultivation but cringe at the solicitation. The development staff needs to help the CEO prepare for and achieve a comfort level in asking for money. Sometimes, there is no one else appropriate for a solicitation than the CEO. Once the CEO has some successes in this area, things will flow more smoothly—and effectively.

7. Work with volunteer leaders.

While the development staff may work with volunteer Board members and leaders day-to-day on projects, the CEO also needs direct involvement. The CEO's presence properly positions philanthropy within the organization. It also gives the CEO a chance to stay in touch with key stakeholders. Many CEOs use the fundraising function as a place to "audition" potential members for the organization's Board of Directors. Any CEO needs to write thank you notes and personally acknowledge the important contributions of volunteers who help raise money.

Not so long ago, the CEO was not universally expected to raise money in non-profit organizations. That's changed dramatically over the past decade. Now, CEOs are expected to have effective experience in fundraising in order to be considered for the CEO role. By embracing philanthropy, the CEO becomes more effective and finds another avenue for professional growth.

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