



Is Your Board “Normal”?



by **Ruth Cambridge**

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Many school foundations wonder “Who should be invited to join our foundation board?” and “How many board members should we have?” Whether your foundation is all-volunteer or staffed with employees, the suggestions offered in the following article may allow your board to contemplate more diversity while representing the needs of your school community.

The 2014 BoardSource Governance Index is based on responses from 878 non profit CEOs and 246 board chairs from various non profit industries not just education foundations.

Against the findings of the 2014 Governance Index, your board is in a very small minority if:

1. You pay board members an honorarium (98% do not)
2. Your CEO is a voting member of the board (88% are not)
3. You do not have director’s and officers’ insurance (96% do)
4. You do not get an annual financial audit (89% do)
5. You don’t have a whistle-blower policy (88% do)
6. You don’t have a document retention and destruction policy (86% do)
7. You do not have a written conflict of interest policy (97% do)

8. You distribute the Form 990 to the board before filing (85% do)
9. You do *not* have a white board chair (90% are white)
10. You do *not* have a white executive (89% are white)
11. You have a board chair who is 40 years old or under (91% are over 40)
12. You have an executive director who is 40 years old or under (94% are over 40)

If BoardSource’s respondents are indeed relatively representative, these last four points indicate a lack of diversity in leadership in the sector overall.

First, it is important to recognize that boards have shrunk. This trend isn’t new; according to this index, over the 20 years between 1994 and 2014, board sizes have diminished by almost 20%, from an average of 19 members in 1994, to 17 members in 2004, to 15.3 members in 2014. While there are still some large boards, more than 80% of boards have fewer than 20 members.

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more about ASFA, please contact
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ASFA is a not-for-profit organization established to provide productive resources, tools, and guidance for education foundations to advance public education in the United States. The mission of ASFA is to create a nationwide community of education foundations, and to serve those foundations by providing essential and timely information to ensure the success of these vital institutions.

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ASFA Honor Roll



Meet **Kristin Zastoupil**, **Executive Director** for the **Corsicana Education Foundation (“CEF”)** in **Corsicana, Texas**

The following is an interview conducted by
Nancy Dye, Executive Director of ASFA



ASFA: How many students and schools does CEF represent?

Kristin: CEF supports 6,000 students and eight schools within Corsicana ISD (Independent School District).

ASFA: Describe CEF’s infrastructure, e.g., how many staff are employed by CEF and how many members serve on the Board?

Kristin: We have 19 voting board members and about ten advisory board members. While CEF started in 2002, we created our advisory board in fall 2012 to encourage more involvement from our community. Our advisory board is a non-voting, no-term limit, volunteer position that allows community members to plug into our programs and fundraisers that interest them. They are invited to all meetings and events, provide invaluable help and expertise, and get a chance to work with CEF. This volunteer position allows them to decide if they want to sign on for a voting member position, which is a three year term. We have a part-time, 15 hour/week assistant director position that is paid for by CEF. I am paid by the district, where 75% of my time is spent working in the district communications department as the webmaster/graphic designer and 25% of my position is to serve as the CEF Executive Director.

ASFA: What is the “state of education,” (e.g., lack of funding, foundations “filling gaps” that school districts used to fill) in Texas?

Kristin: Foundations in Texas vary in their funding of school districts. When CEF started in 2002, one of the founding principles was to supplement

the district budget, not supplant the district budget. We wanted to be the “icing on the cake” for creative teaching programs and staff and student recognition. However, in 2008, when state funding fell short of promised funds to local districts, we began and are continuing to fill some needs, but we try to do so in a creative way.

ASFA: I noticed that CEF’s home page has a banner which encourages text donations. How is this program working for the Foundation? Have you seen an increase or preference in donations through text or mobile fundraising as opposed to mail-in or online donations?

Kristin: We just started with text2give this year. We were fortunate that our regional education service center paid the start-up cost for all districts within their region. There was zero risk for us to try it, and we receive 92 cents of every dollar donated. We have promoted it on our website since February 2015, and have received about \$500 in donations. We hope to use it more heavily in the future.

ASFA: I really like the “Menu of Giving” Brochure that CEF offers which gives donors a chance to designate their donations for specific programs or fundraisers, e.g., an in-kind donation wish list, and endowments and planned giving. Has the “menu” made a difference insofar as increasing donations?

Kristin: It has helped. When I returned to Corsicana in May 2012, we created a new Menu of Giving to allow for one “ask” to our long-time donors. Rather than asking them to support two fundraisers,

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Racial and ethnic diversity on boards has progressed very slowly

While there has been progress in racial and ethnic diversity on boards, it has been slow. As noted above, 80% of board members are white. This compares with 91% as reported ten years ago in the 2004 Governance Index, but the report makes a useful distinction between diversity and developing a culture of real inclusion.

Board members are as old as or older than they were twenty years ago

According to the Governance Index, boards appear to have stagnated on building young membership, or even become less inclusive of youth over the past twenty years. In 1994, more than half of board members were reported in the Governance Index as being between 30 and 49 years old. The 2014 index does not use the same age spans, so it is difficult to compare exactly, but in 2014, 84% of board members are reported to be older than 40. In other words, only 16% of board members are *younger* than 40.

While the 2014 index does suggest that board members under 40 increased from 14% to 17% between 2010 and 2014, the proportion of board members under 40 in 1996 was higher than this year at 19%. Thus, little movement is apparent on this front, and combined with the advanced ages of CEOs and leadership (as shown in points 11 and 12 above), this may spell problems in terms of non profit resonance and relevance in the future.

Budget size matters to diversity

A number of board characteristics change with organizational size as figured by annual budget, and many of these have to do with inclusion. For instance, most board members in nonprofits are older, with 84% in the over-40 category. (And when it comes to CEOs, forty may be the new twenty; a full 94% of CEOs responding to the survey reported that they were over 40.) The larger the organization, the greater the percentage of older board members. At small organizations, 80% of board members are over 40; at medium-sized ones, 85%, and 90% at large ones. A similar proportional dynamic exists regarding the gender of board members: small, 52% female; middle, 47%; large, 40%. On the other hand, boards of small organizations were only slightly more racially diverse than those of mid-size or large organizations.

Executive director longevity is impressive across all sizes of nonprofit

A big 41% of the CEOs who responded had been in their

positions for 10 years or longer, and 80% had been in their positions for three years or longer. This is higher than in 2004, when only 71% had been in their positions for three years or longer. Additionally, prospects for future longevity are surprising, with 50% of all current execs saying they have no plans to leave and another 25% saying they may leave in the next three to five years—which, in our experience, could mean anything.

As it stands, only 34% of responding boards have written executive succession plans, and considering the age and longevity of the CEOs, this could spell big problems. For any number of reasons, leadership succession should be seen as a challenge sector wide that needs to be addressed through the development of much deeper and younger leadership benches on the boards and in executive leadership in every nonprofit.

Conclusion

In a time of massive societal disruption, nonprofit boards remain relatively stable. Though they have not changed much, some of the changes they have made seem positive. The adoption of practices to improve accountability (and, presumably, lessen the potential for conflicts of interest) is good, and the fact that boards have become smaller could be quite positive under the right conditions. But the lack of inclusion of younger people and people of color on boards and as executive directors seems to point to an unwillingness to join in and make best use of the current societal disruption.

Young people have a different experience base in the political and social uses of networks, which relates to the ability to approach big questions. Additionally, smaller boards can best work for the good of a larger community if those boards have an understanding of how to interact effectively with a larger, more diverse, and unbounded governance system of stakeholders. This cutting edge of governance requires cultural wisdom and the wisdom of younger leadership.

About “The Nonprofit Quarterly:”

NPQ was launched as a national print journal in the winter of 1999 and was designed to fill a gap by providing credible, research based articles for non profits about management and governance. NPQ’s collaborative journalism model has expanded NPQ’s intelligence and its capacity to gather and analyze the news in real time and from a variety of perspectives. For more information, visit www.npqmag.org.

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How Little Can You Spend to Generate a Monthly Donor?

By **Erica Waasdorp**, President, A Direct Solution

This is always an interesting question. How much or how little can you spend to generate a monthly donor for your school foundation?

The answer: it depends!

From what I'm hearing in the market place right now, a lot of larger organizations are happy if their program breaks even in 2 years. They use more expensive media such as face-to-face fundraising or direct response television as they want to increase their number of monthly donors fast and furiously.

For smaller organizations, you truly should be able to break even in the first year.

Especially if you start generating monthly donors online first and add direct mail and telemarketing/telethons as your program grows. Those media are much more affordable and more 'fitting' with your mission.

So, what's the 'magic number' that you can spend on generating a monthly donor? Realistically, you could say: what one monthly donor generates in one year. In other words:

if you're able to generate a monthly donor who gives \$15 a month, that's \$180 a year, you'll be able to spend \$180 to generate a monthly donor.

The good news is: you don't have to!

Fortunately, I've been able to work with organizations that spend a fraction of that (typically \$50 or less) and they break even in just a few months. Online costs virtually nothing!

Most monthly donors will stay with your organization for at least five to seven years and many stay even longer than that.

And even more good news is that those monthly donors that were generated using online, direct mail and telemarketing have higher retention rates than those brought on by other media, so it truly is a win-win for you starting with those low resource intensive media.

Unfortunately, there's not one overall success formula, except: **Ask, Ask and Ask again...**

Reprinted with permission from "How Little Can You Spend to Generate a Monthly Donor?" by Erica Waasdorp, April 21, 2015, A Direct Solution, www.adirectsolution.com



About the Author

Erica Waasdorp is one of the leading experts on monthly and sustainer or "recurring" giving. She is author of the book: *Monthly Giving— The Sleeping Giant*, and as President of A Direct Solution serves non profit organizations with their fundraising and direct marketing needs with a focus on Monthly Giving, Annual Fund and Grant writing.

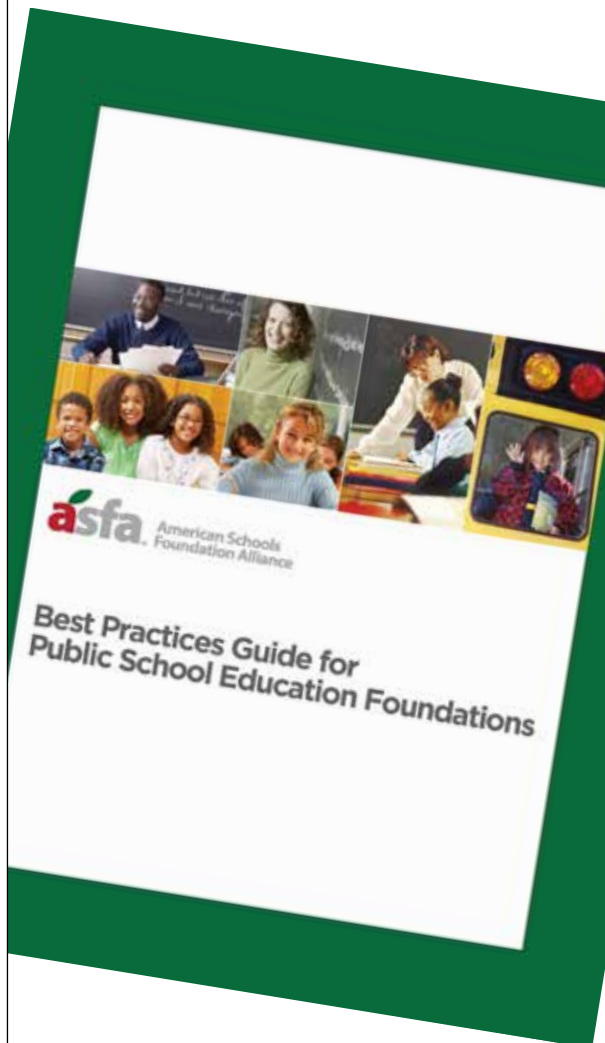


Erica Waasdorp has helped the non profits she works with raise millions of dollars through monthly giving programs. She is also very actively supporting organizations with annual fund planning and execution, ranging from copy writing, creative planning, lists, print and mail execution. She has over 30 years of experience in non profits and direct response. She lives on Cape Cod, Massachusetts and can be reached at erica@adirectsolution.com or by phone at (508) 776-1224.

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separate programs and an annual drive, they can write one check and receive recognition at all of our events. Plus, that allows us to follow the fundraising principle of seven touches. We're only making one ask, and the other times we speak with them during the year is to thank them, show them what their donations are doing, and invite them to be a part of our programs or volunteer.

ASFA: The focus of the fundraisers on CEF's website is to honor students and teachers as opposed to targeting program initiatives. Is this something that you initiated with the board since you joined CEF?

Kristin: We really have two initiatives that play out over four programs: teaching grants and staff/student recognition. The four programs are: (1) teaching grants; (2) student academic recognition banquet; (3) staff and volunteer awards and recognition; and (4) campus celebrations to thank all staff for their service. These were in place shortly after the Foundation started in 2002. Teaching grants are still our main focus, taking the largest portion of our budget. They may be awarded at the classroom, campus or district level.

ASFA: What are your goals for the Foundation?

Kristin: We have lots of goals, and they are evaluated and updated each year. After the first few years of raising \$200,000+ each year, fundraising fell flat for a while from 2008-2011. We are now close to the \$200,000/year mark and hope to reach \$250,000 annually. We have an endowment of approximately \$400,000 that we hope to grow to \$1 million by our 20 year mark in 2022. We are also working to increase the participation on our advisory board which started in 2012. Our main focus for new donors right now is with alumni, as that has been an untapped market for us up until this point.

ASFA: I know that you were the Executive Director of the Midlothian Education Foundation before joining Corsicana. Please tell us a little bit about your background and what brought you to CEF.

Kristin: I began working in non-profit, educational public relations in 2003, first for a private, Christian school and then for an educational research company. In 2006, I was given the opportunity to work for Corsicana ISD in a dual communications/

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education foundation role. It was then that I fell in love with education foundations. After taking some time off for motherhood in 2008, I started with the Midlothian Education Foundation in 2009, as their first full-time executive director. It was a wonderful opportunity in a one-person office to grow a great foundation. I then received an offer to return to Corsicana in 2012, and felt it was the right move at the time. It felt like coming home, and allowed me to once again wear the two hats that I love – public relations and education foundations.

ASFA: In addition to serving as Executive Director to the Foundation, you also oversee Graphic Design, Communications, and are Webmaster for the Corsicana Independent School District. How do you balance all of these responsibilities? Is it accurate that many Texas school foundation employees have dual roles with the school district?

Kristin: *It is quite a mixture among Texas foundations when it comes to how their employees are funded. In Midlothian, I started as a district employee, but was eventually fully funded by the Foundation. There are a lot of dual roles, as benefits are usually available only to district employees. I'm lucky that I work with a great team. In addition to my position, we have an executive director of communications, a communications specialist, a department assistant, and a part-time assistant for the Foundation. It's the first time in ten years I haven't been in a one-person office, and it's amazing that we all bring different strengths to the table. The great thing about education foundations is that they are always generating positive PR for the district. While I handle social media, graphic design, web, event planning, and other things, they all overlap between the district and Foundation, and I've got a great team willing to step in any time I need help.*

ASFA: Do you find that the number of foundations is growing in Texas? What advice do you have for a new Executive Director starting at a school foundation?

Kristin: *Yes, they are growing. Education Capital in Austin did a study a few years ago that they are increasing. Personally, it's rare to find a district in Texas with more than 3,000 students that doesn't have an education foundation, and even those with less than 3,000 are forming every day. The best thing is to network! By joining national and state associations and networking groups you can get more information. I learned a lot from my colleagues in other districts, and everyone is willing to share. We're all fundraising in our communities or bubbles, so we're willing to share what's working and what's not, as it's a collaboration for schools to excel in Texas as opposed to a competition.*

ASFA: I appreciate that CEF has been an ASFA Member since 2014 and prior to that, you joined ASFA on behalf of the Midlothian Education Foundation in 2010. What is the most valuable membership benefit or reason that you have stayed with ASFA?

Kristin: *There are a lot of valuable benefits. The newsletters are fantastic! I get to network with other foundations across the nation. Viewing documents on the website from other successful organizations so I don't have to reinvent the wheel, and access to grant opportunities. Without ASFA, I feel like I wouldn't be up to date on what's going on with education foundations and what the most successful practices are.*

Nancy Dye wishes to thank Kristin Zastoupil for taking the time to share her insight with other foundations.

Is Your Board●●●