

FINAL DRAFT

Arizona Humanities

Board of Directors – Personal Giving Policy

June 2015

The Arizona Humanities Board of Directors (“Board”) has a fiduciary responsibility for securing adequate resources in support of its mission. Likewise, the Board’s role is to ensure that the organization remains financially healthy in the short and long term. Board giving through personal financial contributions is an essential part of that discussion.

The Board Giving Committee was tasked with drafting a recommended Board Personal Giving Policy for consideration by the full Board. We began by reviewing other Humanities organizations and their Board giving policies. We also researched a variety of other sources that discussed the topic of non-profit board member giving. As a result, a common theme became apparent. It can be summarized as follows:

- The target for Board personal giving should be 100% participation.
- Board members are expected to participate in fundraising. A fundraising appeal is more effective if it can be demonstrated that 100% of the Board gives personally.
- Nearly 90 percent of American households contribute to charities. A board member should designate his or her own organization as one of the top three main recipients of his or her generosity.
- Many outside foundations only contribute to organizations where every board member is a contributor.
- Most Board giving policies stated that board members should give an amount that they consider personally generous and significant.

According to several studies, one of the reasons that board members do not contribute relates to the view that their commitment of time is a substitute for financial support. Volunteer time is critical to the success of any organization and we acknowledge that by capturing the value of volunteer time on a separate In-Kind donation form, as required by NEH. However, dollars and service are not interchangeable. The organization needs money to fund a variety of costs that volunteer time alone cannot address.

Based on our review, the Board Giving Committee recommends a policy that balances the needs of the organization with the fiduciary responsibility of the Board and in recognition of the varying individual board member financial capacity to give. Further, it is our recommendation that every board member provide a personal giving commitment, in writing, no later than the August Board meeting. This commitment will be reflected in the following fiscal year budget instead of the prior practice of establishing an unrealistic Board personal giving budget. A Board Personal Giving Pledge Form is attached to this memorandum.

When considering the following policy, it should be noted that Arizona Humanities currently compiles an annual "Friends of Humanities" Donor list. This donor list is reported in the annual report each year. Each donor gift is reported in pre-determined tiers as a "patron", "benefactor" and so on. Currently, the top three giving levels are classified as "Circle of Friends" contributions. The recommended policy modifies "Circle of Friends" to now include four tiers. It is important to recognize that the giving levels have been structured so that board members can remain in good standing by contributing the equivalent of \$25 per month on average.

The recommended policy:

"To demonstrate a commitment to the Arizona Humanities mission and to assist with meeting fund-raising goals, members of the Board of Directors are expected to make annual financial contributions that they consider generous and personally significant. To remain in good standing, board member annual contributions must fall within one of the "Circle of Friends" contribution levels:

- **Champion - \$1,500+**
- **Leader - \$1,000 - \$1,499**
- **Benefactor - \$750 - \$999**
- **Patron - \$300 - \$749**

Unless the individual board member indicates in writing that the amount is to remain confidential, the contribution will be reflected in the Annual Report along with all other donations received by the Arizona Humanities.

Amounts donated by third parties that are directly attributable to the efforts of a particular board member shall be considered as a board member contribution for purposes of remaining in good standing. However, only board member personal giving amounts shall be reported in the annual report.
