

AGB

**Effective
Committee
Series**

The Development Committee

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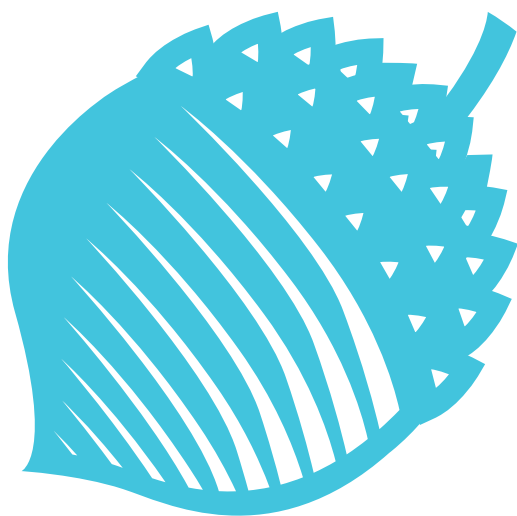


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Effective Committees

This publication is part of an AGB series devoted to strengthening the role of key standing committees of governing boards. While there is no optimum committee system for institutions of higher education, certain principles, practices, and procedures prevail. The best practices outlined below support the objectives of board committees: focused effort, informed decision making, and self-management.

A. FOCUS THE WORK OF COMMITTEES

The work of boards should be grounded in the work of its committees. Working in tandem, committees enhance the purpose and advance the productivity of the full board.

1. Committee charters should clearly declare the governance purpose of each committee.
2. Committee work should be aligned with the institution's strategic vision, goals, and priorities.
3. Committees should translate their charges into annual goals and work plans that align with the board's governance responsibilities and the institution's strategic plan.
4. Committees should focus on monitoring the institution's strategic progress and the committee's accomplishments.
5. Committee meeting agendas should be concise, developed in consultation

with the committee chair and designated staff member, clearly state desired meeting outcomes, and they should be distributed—with appropriate supporting documents—well in advance.

6. Committee members should strike an appropriate balance between “too much” and “too little” information. They must guard against requesting overly detailed information to avoid becoming embroiled in administration or overburdening staff. At the same time, they need sufficient supporting materials to make sound recommendations and ensure adequate oversight.

B. FACILITATE INFORMED AND PARTICIPATORY DECISION MAKING

Committees are responsible for recommending decisions and actions to the full board. They should serve as models of good governance, where issues are debated and recommendations are framed openly, inclusively, and with full transparency.

1. Committees should deliberately include constituents whose voices have legitimate bearing on the topics under consideration.
2. Board members and constituents should have an active and reciprocal understanding of their respective roles and responsibilities within the institution’s governance structure.
3. Through committees, board members and the institution’s constituents should engage in a dialogue that demands facts and explores critical issues within the appropriate boundaries. Jointly and based on mutual trust, they should learn to ask the right questions that honor governance prerogatives and advance the institution’s strategic direction.
4. When making formal recommendations to the full board, committees should present conclusions that summarize relevant data and findings, including constituent voices and diverse perspectives.

C. ORGANIZE THE WORK OF COMMITTEES

While board bylaws often define the committee structure, the needs of each committee vary depending on the committee’s purpose and the institution or foundation’s changing circumstances. Within the division of labor between committees and the board, committees have responsibility for managing their own policies and practices.

1. Committee assignments should be rotated among board members to deepen board member education, engagement, and experience. Term

Introduction to the Development Committee

Philanthropic support correlates directly and powerfully with institutional quality, momentum, and strength. The strongest, best, and most prestigious colleges and universities—public and independent—have successful and professionally managed development or institutional advancement programs that consistently deliver substantial gifts and grants in support of institutional priorities.

This has always been the case for independent institutions, but, in recent decades, has also become true of public institutions, which now raise half of the private support contributed to higher education. In the past, successful fundraising programs may have been thought to underwrite “the margin of excellence” at their institutions—providing special programs, facilities, or amenities that could not otherwise be accommodated in the university’s budget. Capital campaigns were once special, targeted, occasional fundraising efforts that focused on a particular need, such as building a new library, classroom building, or stadium, or providing named chairs for distinguished faculty.

Today, fundraising is no longer marginal or occasional. Institutional budgets incorporate projected gift revenue, both restricted and unrestricted. Strategic plans incorporate budget models that assume successful fundraising campaigns. Endowments, created and expanded by charitable gifts and bequests, provide regular and essential revenue streams. As government support shrinks and tuition

and fees (now straining families' ability to pay) level off, philanthropic support has become an essential component of institutions' financial viability.

Americans have a long tradition of supporting causes and organizations with charitable gifts, and do so generously. In 2010, more than \$290 billion was donated to charities, with about 83 percent of that represented by gifts from individuals.¹ At the same time, the competition for philanthropic dollars has grown fiercer than ever. There are currently more than 1 million non-profit organizations in the United States, approximately one for every 300 Americans.² More than one-third of all charitable giving goes to churches and religious organizations. Only 14 percent is directed to the nation's several thousand colleges and universities; contributions to higher education reached \$28 billion in 2010, an increase of .5 percent from the previous year.³ Little wonder that presidents and chancellors are spending an increasing percentage of their time on fundraising, and that governing boards have made fundraising ability an increasingly important qualification in presidential searches.

There is, however, even more at stake than financial stability and institutional momentum, for fundraising success is also often linked directly to institutional reputation and prestige. Universities are keenly aware of the ambitious campaigns launched by institutional rivals and seek to set higher goals to show that they enjoy even more-robust support and prestige than their competitors. But more than just bragging rights is at stake. Institutional reputations and relations with constituents can be badly damaged by ineffective, clumsily implemented, or unethical fundraising practices.

Because such missteps can have a profound effect on an institution's long-term well-being, it has never been more important to have a well-designed, well-managed, and well-executed development program. This is virtually certain to be the case in the decades ahead.

Board oversight of the development function is, therefore, critical. Board members must, of course, respect the line between active monitoring and adminis-

1. *GivingUSA*, 2011 Executive Summary. The Center on Philanthropy at Indiana University.

2. Urban Institute, National Center for Charitable Statistics. <http://nccsdataweb.urban.org/PubApps/profile1.php>

3. 2010 Voluntary Support of Education. Council for Aid to Education. http://www.cae.org/content/pdf/2010_VSE_pages_for_Web.pdf