

BEYOND CASH

A GUIDE ON HOW NONPROFIT BOARDS CAN
TAP PRO BONO AND IN-KIND RESOURCES

BRINGING MULTIPLE RESOURCES TO THE TABLE

Nonprofit board members have always been called upon to do a great deal for the organizations they serve. Many, if not most, nonprofits are stretched for resources of all kinds, and look to their board members to help find them.

Traditionally, boards have been called upon to give their “time, talent, and treasure,” a three-legged stool that entails giving **time**, by attending meetings and functions, doing committee work, etc.; **talent**, by contributing their expertise to develop and enact the organization’s mission and strategy; and **treasure**, by giving their own money or finding it from others.

At the Taproot Foundation and BoardSource, we came together and asked: Should this definition of “treasure” be expanded? Are we missing the role that board members can play in generating pro bono services and in-kind donations? We wondered to what degree nonprofits are looking at resource development holistically, including cash, but also in-kind and pro bono. We surveyed 1300+ nonprofit chief executives, board members and business professionals across the United States that spanned sub-industries, size, budgets, and scale, to find out. In this survey, we asked:

- ▶ What, if any, pro bono services and in-kind donations have they accessed? What was the value?
- ▶ Would they want more pro bono services and in-kind donations? What kinds?
- ▶ Would they consider a board position dedicated to pro bono and in-kind resource development?

Through this research, both the Taproot Foundation and BoardSource have come to realize that nonprofits are not counting as “resource development” or “treasure” about 2/3 of the resources board members are generating. For example, our survey respondents reported that whereas the average board cash donation was less than \$1,000, the average cash value of pro bono services and in-kind donations they had sourced for their organizations was significantly more than \$1,000.

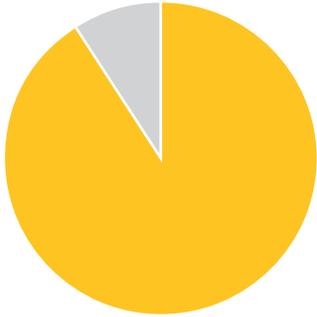
Let’s set the standard that resource development efforts must include cash, in-kind and pro bono contributions. Let’s become proactive in our resource development, so we are not relying solely on cash to cover areas of the budget where pro bono services or in-kind donations are a direct fit. This is a shift. It means we need to value, track, and prioritize pro bono and in-kind resources as we do cash. It means that staff needs to articulate their organization’s pro bono and in-kind needs so that boards can seek the resources to fill them. But it can provide a great return.

We found that most boards are already supporting this expanded view of resource development. But they could do much more, and until now, they have lacked information on how to formalize the process: how to identify, secure and manage in-kind and pro bono resources. That’s why, thanks to support from Chevron, we developed this handbook, to inspire organizations to reliably and sustainably secure the in-kind and pro bono resources they need to increase their impact and drive social change.



Aaron Hurst
Founder
Taproot Foundation

DATA SHOW THE VALUE OF PRO BONO & IN-KIND RESOURCES



91%

PERCENTAGE OF PROFESSIONALS INTERESTED IN JOINING A BOARD IF PRO BONO AND IN-KIND WERE THEIR EXPECTED CONTRIBUTION.

RELEVANT TRENDS

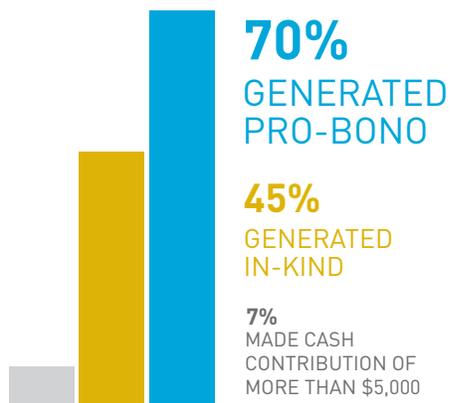
72% of nonprofits strongly agree that pro bono resources **WOULD INCREASE** their social **IMPACT**.¹

Only **3%** of nonprofits say they have **ENOUGH PRO BONO** support.²

87% of HR professionals and **92%** of marketing professionals are interested in board service but far **FEWER** actually **SERVE**.³

44% of orgs find it **HARD TO RECRUIT** board members.⁴

SURVEYED BOARD MEMBERS WHO GENERATED CASH, IN-KIND, AND PRO BONO RESOURCES >\$5K IN VALUE



2/3

of resources generated by surveyed board members were

PRO BONO

and

IN-KIND

1. Deloitte's 2009 Volunteer IMPACT Survey
2. "Nonprofit Survey: Leveraging Pro Bono Resources," FTI Consulting and the Taproot Foundation, 2011.
3. "Why Marketing & HR Professionals Make Great Board Members," BoardSource and the Taproot Foundation, 2011.
4. The BoardSource Nonprofit Governance Index, 2010.

FOR THE CHIEF EXECUTIVE

ARE YOU A CHIEF EXECUTIVE SEEKING OTHER RESOURCES YOUR BOARD COULD HARNESS?

10 TIPS TO TAP PRO BONO & IN-KIND POTENTIAL

- Document and celebrate what you already do to learn what works and to help you realize you are expanding an existing practice and not starting something new. At each board meeting, celebrate what pro bono and in-kind was raised and create a clear list of current needs.
- Add pro bono and in-kind to your board job description (articulate the “give and get”).
- When you recruit new members, ask them about their ability to secure in-kind donations and pro bono.
- Add pro bono and in-kind to your annual board contract.
- Add pro bono and in-kind donations to your overall and individual board members’ annual assessment.
- As part of annual operating planning process, engage board members with functional expertise to identify pro bono and in-kind needs.
- Be careful not to take on pro bono or in-kind that isn’t a top priority. It will not help ensure success or set the right expectations.
- Consider how pro bono and in-kind resource generation could be part of your next strategic planning goals.
- On your website and annual report, add pro bono and in-kind donors.
- Measure the impact of pro bono and in-kind donations by tracking ways it achieved articulated goals. Collect data as well as quotes from stakeholders who can observe their impact and success!

RESPONSES FROM CHIEF EXECUTIVES

“Know what you are looking for. We wouldn’t have secured these resources if not for a clear and strategic need.”

“Incorporating pro bono has expanded our fundraising framework.”

“Make it formal. We filled out MOUs and had timelines and deliverables clearly defined. It’s really important for the relationship.”

FOR THE BOARD MEMBER

ARE YOU A BOARD MEMBER WHO WANTS TO GO BEYOND THE CHECK?

10 TIPS TO ACCESS PRO BONO & IN-KIND RESOURCES

- Help your nonprofit become more strategic about utilizing professional resources. Explain where pro bono expertise is a fit and can help advance your organization's mission.
- Offer personal expertise directly. Our survey found that most board members are already providing direct pro bono for their nonprofits. Please refer to our notes/caution around potential conflicts of interest.
- Before you pass the budget, consider where pro bono and in-kind resources could play a role.
- Ask your Development Committee to include in-kind and pro bono resources in their efforts.
- Think about your network beyond their connections to cash—chances are you know people and professional firms that have the tools, products, and talent your nonprofit needs.
- When sourcing pro bono and in-kind, consider existing relationships: board, staff, volunteers, and donors. Resources include companies, universities, professional associations, and intermediaries including Taproot Foundation. Don't forget to check out your network on LinkedIn.
- Prepare your elevator pitch and articulated benefit to the company, university, or individual. Include ways your nonprofit will manage the pro bono or in-kind.
- Create a job posting to include information about the organization, required skills and experience, estimate of total time necessary, potential final deliverables, and impact the deliverables will drive.
- Narrow down pro bono applicants based on skill and passion! Then, schedule a time to meet, interview, and tour the nonprofit office or site. Let your pro bono consultant(s) see where the magic happens!
- Questions to pose to pro bono sources: How do they scope projects? Have they done pro bono before? How do they screen their project team? What is expected from your nonprofit?

RESPONSES FROM BOARD MEMBERS

“I always felt like I didn't know what I didn't know. It would have been helpful to be aware of when pro bono and in-kind would be useful for the organization. We needed a way to determine what our prioritized needs were and which could be addressed with pro bono or in-kind.”

“I took initiative to seek out a needed resource. Conversations with the Chief Executive and board helped surface the need, and I volunteered to scope the project and help secure the resource.”

FOR THOSE INTERESTED IN BOARD SERVICE

ARE YOU EAGER TO CONTRIBUTE YOUR TIME, TALENT,
AND A VARIETY OF RESOURCES TO A NONPROFIT?

10 TIPS TO HARNESS PRO BONO & IN-KIND

- The most common places to find board positions include nonprofits where you already volunteer and your personal and professional networks. Get the message out that you're eager to serve.
- When reviewing board member job descriptions, consider the needs of the nonprofit beyond cash including pro bono and in-kind.
- Contact the chief executive to learn more about the organization, expectations of a board member, organizational needs, and culture.
- Do your due diligence! Research current board members and the nonprofit; if possible, reach out to them leveraging mutual connections. Remember LinkedIn can be a great tool.
- Be realistic about the resources you can offer. Board members should contribute financially to the nonprofit, but don't stop there. Pro bono and in-kind resources can provide great additional value to the organization.
- Develop a list of questions when approaching a current board member or chief executive asking about current challenges, such as:
 - Marketing
 - HR Infrastructure
 - Financial Position
 - Technology
- Cross reference these needs against your skill set, resources, and networks. Propose potential pro bono and in-kind means of addressing those challenges.
- Set expectations around time and staff requirements around managing pro bono and in-kind.
- Determine the value of pro bono and in-kind and communicate this value to the chief executive.
- Follow up! Stay engaged! If board membership is not a good fit at that moment, it does not mean you cannot stay involved! Volunteer, donate, or advise!

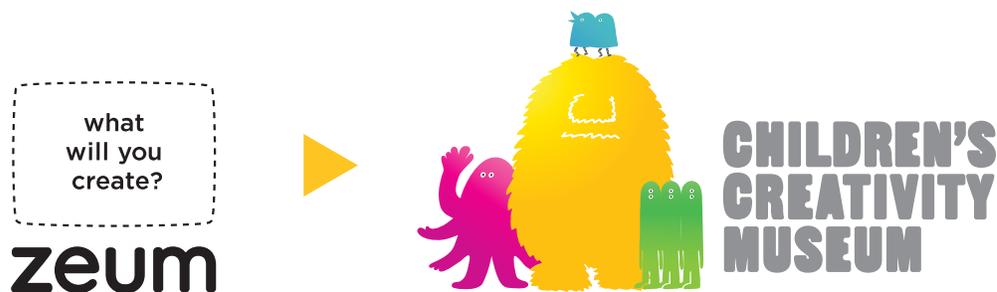
INTERESTING STATS

84% of business professionals interested in board membership are more likely to provide pro bono resources than traditional means of fundraising.

64% of business professionals turn to nonprofits where they currently volunteer for board service opportunities.

CASE STUDY

The Children's Creativity Museum



IT'S HARD TO MISS the vibrant, playful ads placed throughout San Francisco inviting you and your kids to visit the local Children's Creativity Museum. The interactive museum essentially serves as a studio where kids can make movies, play with digital editing of photos, make music, and explore creative arts. Last fall, the children's museum, formerly named Zeum, launched their new brand, name, and logo introducing the Children's Creativity Museum, thanks to both the strategy consulting and branding pro bono resources secured by a board member.

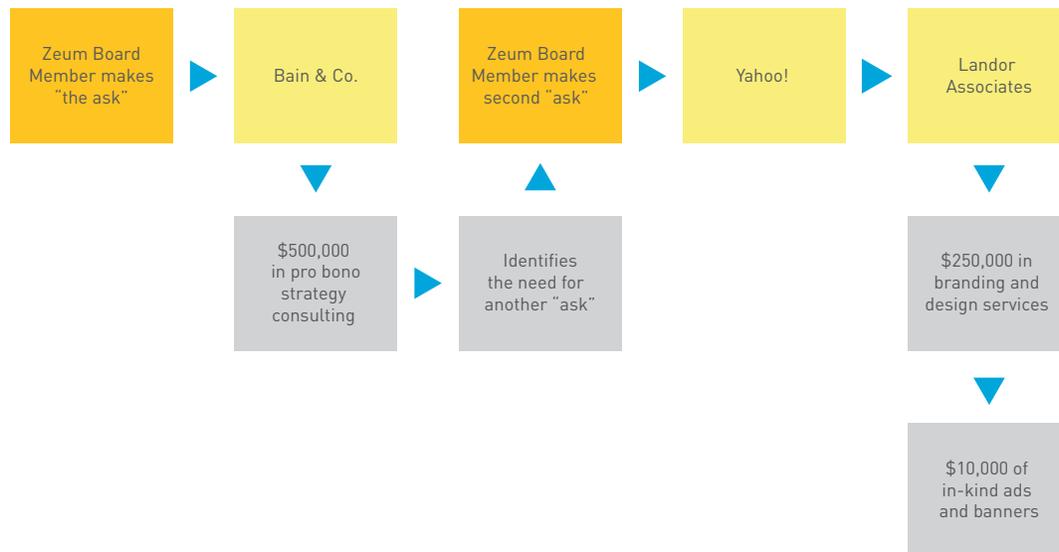
Without these pro bono and in-kind donations secured by a board member, this transformation may not have happened. Michael Mankins, a Zeum board member, secured a total of \$760,000 in pro bono and in-kind resources for the museum. From his company, Bain & Co., a management consulting firm, Michael secured \$500,000 worth in pro bono strategy consulting, bringing a team of 3 consultants and 6 months of research to the strategic planning preparation. The engagement yielded learnings from neighboring museums and created a clear framework for growing annual visitors from 43,000 to 100,000 over 5 years. One strategy for example, was to expand the target audience from 6–12 years of age and to include exhibit enhancements that would appeal to 3–5 years of age.

The research also demonstrated a clear need for a rebrand. Michael had a connection with a senior marketing officer at Yahoo, who was able to leverage Yahoo's brand and creative design vendor, Landor Associates, to take on Zeum as a pro bono client. Landor provided \$250,000 in pro bono branding and design to create a new name and identity for Zeum. Landor also provided \$10,000 worth of in-kind ads and banners to showcase their pro bono work, which was then donated to Zeum. The lead consultant from Landor stayed involved post-project in a pro bono capacity to develop additional marketing collateral for Zeum.

Not only is Michael one of the Museum's top philanthropic leaders, giving well above the \$5,000 Board giving level, but he was also responsible for connecting the Museum with pro bono services that are valued at 150x more than his personal gift.

CASE STUDY CONTINUED ►

THE PROCESS



THE IMPACT

- ▶ Increase of \$1.7 million to \$2.1 million in annual revenue in one year
- ▶ Increase of museum visitors from 43,000 to 52,000 in one year

“Every non-profit organization should seek pro bono and in-kind support from partners who can support their strategic objectives. We were incredibly fortunate to work with Bain & Company and Landor Associates, whose donated services had a profound impact on our strategic planning and re-branding initiatives. They increased our credibility with funders, significantly strengthened our strategy and made the re-invention of the museum possible.”

AUDREY YAMAMOTO, EXECUTIVE DIRECTOR, CHILDREN’S CREATIVITY MUSEUM

“Every board members has a personal ‘balance sheet’—a set of connections that they have and talented individuals they know. Board members should be asked to tap into their balance sheet and draw upon their network to invest behind important initiatives of the organizations they support.”

MICHAEL MANKINS, PARTNER, SAN FRANCISCO, BAIN & CO.

While not all pro bono and in-kind donations yield such dramatic results, even small contributions can help boost your organizations resources.

NOTES FROM THE FIELD

Pro Bono and In-Kind in Practice

Through our research, we learned that many board members are providing pro bono and in-kind and chief executives are seeking even more of it. We recognize the value of these donations can range significantly, from the hundreds of thousands of dollars in resources generated by the board of the Children’s Creativity Museum, to simple donations that cover an immediate need like auction items, facilitators, or meeting space. Here are a few examples of how others are incorporating pro bono and in-kind resource development

“We’re starting to include pro bono and in-kind asks in our conversations with board members. Our board suggested public speaking training for staff and has secured both space and retreat facilitators. My advice to others is to provide outreach and education when bringing in professionals to do pro bono as they can become advocates for your organization.”

**EXECUTIVE DIRECTOR
SOCIAL SERVICES AGENCY, ALASKA**

“Our board helps us source pro bono attorneys all the time to assist with issues we’re facing. A tax principal also helped us recently. Another example is that we had a regional sales manager give a sales 101 training to staff. My advice is to always embrace in-kind and pro bono and for staff to be proactive with the board about what they need.”

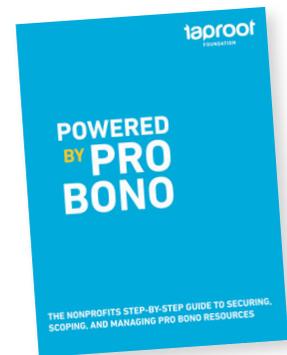
**CEO
HEALTH ADVOCACY ORGANIZATION, NEW HAMPSHIRE**

“We’ve secured pro bono and in-kind services such as office space, medical equipment and service providers for our health centers. It’s our first year really focusing on board giving; there are 51% clients of the services on the board, so it creates a situation where the board can’t all give at equal levels and it’s important to consider all the ways a board member could give.”

**BOARD CHAIR
COMMUNITY HEALTH CLINIC, CALIFORNIA**

“Pro bono is a win win because it also provides public exposure for firms who are working with the nonprofits. My advice is to take a look at your budget—if it shows a large expense that could be met through pro bono or in-kind resources, it’s a waste to not act on that.”

**BOARD CHAIR
WORKFORCE DEVELOPMENT AGENCY, GEORGIA**



COMING SOON: POWERED BY PRO BONO!

Taproot Foundation has partnered with Jossey-Bass to publish an extensive step-by-step guide for nonprofits to begin to build their capacity to generate hundreds of thousands of dollars in pro bono per year. Released in Fall 2012.

ABOUT THE RESEARCH

The national survey was administered to BoardSource members and Taproot's pro bono consultants via email in December 2011. We received more than 1,300 completed responses from nonprofit chief executives (32%), current or former board members (35%), and a group of professionals with no experience in nonprofit governance (32%).

Among the 473 board members surveyed, the majority (56%) had six or more years of governance experience. More than half of the board members served organizations with annual budgets over \$1 million. Professional backgrounds included nonprofit management (28%), strategy/management consulting (19%), marketing (12%), and finance (8%). When asked "beyond supporting the mission of the organization, what were the primary reasons" for choosing board service, the top four responses were: using my skills to help (78%), a prior positive pro bono or volunteer experience (48%), professional networking or skill development (39%), and personal networking (29%).

NOTE OF CAUTION: Professionals that serve on boards can and should provide the needed and welcome expertise for board decisions, alert the board to industry issues, legal matters that need attention, and may recommend additional resources/references that benefit board decision making. The professional should not play a dual role of serving on the board and serving as an agent for the organization or the board. Here are a few scenarios where a conflict of interest may come into play.

The Lawyer A lawyer serves as a source for advice and assists the board in making sound judgments. Lawyers may also have insights that are beneficial when policies are being drafted. A lawyer can ensure that laws and legal regulations are obeyed and that all board documents abide by necessary standards. Yet, a lawyer as a board member is not the right legal representative of the board or the organization to the outside world. Changing the servant position to an attorney client relationship creates too many conflicts of interest.

The Financial Manager or Accountant Some business acumen on the board can help the organization make sound decisions and seize essential opportunities. A financial expert/accountant can educate board members on the financial implications of their actions. However, using board members as hired financial managers of investments, accountants, or relying on a board member's firm for the annual audit creates conflicts of interest. In most cases, it is better to secure an outside individual or firm.

The Consultant or Vendor Occasionally it can be acceptable for a nonprofit to have business relationships with board members, yet it is important to follow appropriate and ethical procedures. A conflict-of-interest policy with board members' annual disclosure of personal and professional affiliations assures that no facts remain unchecked. The organization needs to openly seek bids to procure services, prioritizing the organization's needs as the primary determining factor.

Sometimes a board member is willing to provide services at a discount. In any case, it is important to document that the final decision was made in the best interests of the nonprofit and that the board was aware of the potential conflict.

A board member may provide pro bono services—often a welcome financial break for the organization. Even in this situation, the board member should not be part of the decision making to accept the offer and the process should be disclosed.

Taproot Foundation is a nonprofit organization that makes business talent available to organizations working to improve society. Founded in 2001, Taproot has become the national leader in pro bono work, serving over 300 nonprofits every year across the country through its award-winning Service Grant Program, and setting the agenda for the development of the field. To date we have provided over \$100 million of pro bono consulting services to more than 1,500 nonprofit organizations, and have trained over 15,000 pro bono professionals through this program.



Leveraging our experience and insight from a decade of service, Taproot also advises and supports companies and organizations in the design, development, and deployment of their own high-impact pro bono programs. Our clients include both nonprofits and Fortune 500 companies representing a range of industries. By working with Taproot they are able to build the foundational tools and processes that are critical for a scalable and sustainable pro bono program.

For more information, please visit www.taprootfoundation.org

BoardSource is dedicated to advancing the public good by building exceptional nonprofit boards and inspiring board service. BoardSource strives to support and promote excellence in board service, is the premier source of cutting-edge thinking and resources related to nonprofit boards, and engages and develops the next generation of board leaders.



BoardSource provides:

- ▶ knowledge and resources for nonprofit leaders through workshops, training, assessment tools, an extensive Web site, and a membership program
- ▶ governance consultants who work directly with nonprofit leaders to design specialized solutions to meet an organization's needs the world's largest, most comprehensive selection of material on nonprofit governance, including publications and CDs
- ▶ an annual conference that convenes approximately 900 governance experts, board members, chief executives, and senior staff from around the world to discuss the newest thinking and practices in nonprofit governance

For more information, please visit www.boardsource.org

This work was made possible through the generosity of **Chevron**





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