

# FUNDRAISING & PHILANTHROPY AUSTRALASIA

*Insight, analysis and inspiration for fundraising professionals and not-for-profit leaders*

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## Leadership in Action

**Michael Chaney, Australia's most admired business leader, also takes a keen interest in community affairs**



**Are your directors on board for fundraising?  
Two veterans tell their story**

**Not-for-profit CEO's get candid about their place at the fundraising table**

**INSIDE**

**THE INSIDE STORY ON THE AUSTRALIAN BALLET'S \$1M PAY DAY  
PUTTING THE "PARTNER" IN CORPORATE PARTNERSHIPS**

# Are your directors on board to raise funds?

Many fundraisers argue that one of the key responsibilities of not-for-profit board members is to “give, get or get off!” **Mark Quigley** asks two veteran directors just what they believe their role to be.



Peter Hunt



Paul Murnane

In his “day job” as executive chairman of the corporate advisory firm Caliburn Partnership, Peter Hunt leads some of Australia’s best-known business figures through complex deals.

In his other life, Hunt chairs the Australian String Quartet (ASQ) and is a director of Odyssey House.

In any discussion about leadership it soon becomes apparent that he believes in leading from the front, and this is especially the case when it comes to his not-for-profit positions.

Each year he donates his entire salary, and then some, to a handful of charities (he lives off his bonuses). He helped Mission Australia raise the \$7 million required to redevelop a homeless men’s centre, and made a personal gift to this campaign of \$500,000.

There are many similarities between the roles of board members of publicly listed companies and those of not-for-profits, says Hunt.

Both roles involve overseeing, setting and implementing strategy and agenda. Both also provide guidance to the CEO and senior management, and address matters of corporate governance. But that’s where the similarities end.

“When you join the board of a publicly listed company, you generally do not have to concern yourself with maintaining the company’s financial existence. However, funding issues are at the core of leading most charities,” he says.

“The saying “Give, get or get off” is a fair point – too many board members ignore the fact that a key function of joining a not-for-profit board is to ensure that it remains adequately funded”.

Paul Murnane is another person well qualified to give input on this issue. He has spent a lot of time in and around boards, both in the commercial and not-for-profit worlds.

He is a former executive director of Goldman Sachs JBWere, and

currently holds board positions with the NSW State Library, Sydney Institute, Australian Graduate School of Management, and is the chairman of the MS Society (NSW). He is also the trustee of a private charitable foundation.

Like Hunt, Murnane likes to lead by example, and cites a recently secured \$500,000 donation for a project he was involved with. And while he agrees to some extent with Hunt’s statements above, he also provides a different perspective.

“At the MS Society our directors recognize the importance of fundraising, I recognise the importance of fundraising – without money we can’t do anything. However, we’re running a very complex business and fundraising is not the job of the board, that’s why we employ fundraising professionals.”

He believes board members should demonstrate leadership financially, if their circumstances permit, but he is quick to add it is a director’s business skills which are the real value a charity should leverage.

“Leadership comes in many different forms. At the MS Society we enlist directors with certain skills to help improve service delivery, enhance our medical research abilities and for fundraising. A would-be director’s contacts and networks are important, but it is often not the number one criteria.”

Murnane’s key performance indicators (KPI’s), which include criteria beyond just fundraising, are published on the MS website as are position descriptions for directors, a statement on corporate governance and financial management strategies. “This level of transparency is another form of leadership taken by the board,” he says.

While Hunt and Murnane both acknowledge that fundraising is a

*“...too many board members ignore the fact that a key function of joining a not-for-profit board is to ensure that the organisation remains adequately funded.”*

large part of their respective roles, they also agree that achieving a focused and balanced group of board members should be a more critical objective for a charity.

## Fostering boardroom leadership

- Provide position descriptions for the chairman and directors
- Formulate agreed-to organisational goals
- Ensure a regular turnover of directors
- Maintain diplomacy amongst directors
- Provide training and education on fundraising technique and strategy
- Involve directors in roles where they can bring their expertise to bear

Leadership from the chairman and board cannot be achieved without some kind of written expectation regarding duties and responsibilities. "Too many not-for-profit board members don't really seem to know why they're there. It's the chairman's job to tell each director why he or she is there," says Hunt.

Murnane proudly says he was given a position description for his role as chairman of the MS Society (NSW), and that the organization will soon be implementing an independent assessment system of directors.

When asked if he has ever been given a position description for any of his roles with charities, Hunt responds with a wide grin and a simple "no". Should he have been? "Of course," he says.

Hunt believes each board member should have at least one KPI that is financially based. "I don't care where the money comes from – just as long as they agree to raise it! But it's not just about the amount either," he insists.

It's also up to the chairman to have a feel for the giving capacity of board members so that no embarrassment is caused by asking for a financial gift that is beyond the capacity of an individual.

Hunt cautions chairmen to think carefully about balance in the boardroom before asking a member to resign because they haven't fulfilled the 'give, get' motto. He suggests you may harm your organisation further by not taking into account other skills that a director may bring to the organisation.

However, inaction to address underperforming directors also causes problems.

"Charities often accumulate directors who do not meet their KPI's. Then they (the charity) get a couple more directors to make up for the deficiencies and before you know it your board has too many directors not achieving – and certainly not showing leadership." ❗❗



Mark Quigley is a director of Social Venture Consultants – specialists in capital campaigns. [www.socialventureconsultants.com.au](http://www.socialventureconsultants.com.au)



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