Building a culture of philanthropy in your organization

From *Strategic Fund Development: Building Profitable Relationships That Last*

Most nonprofit / NGO organizations rely upon charitable contributions to survive. Some people define philanthropy as voluntary action for the common good. Many talk about fund development as the engine that drives philanthropy, or, the essential partner of philanthropy.

Unfortunately, many organizations do not fully understand the value of philanthropy and the importance of its partner, fund development. Many organizations isolate fund development in one corner of the organization. Other organizations value fund development but assign it to a specific group of people, e.g., development staff and/or a board development committee.

Starting with organizational culture

**Remember this:** Research shows that an organization’s culture dramatically affects its effectiveness. Culture is pervasive, affecting all areas of the organization, including fund development.

Cultures form in any group, whether your book club, your board, or your organization. In fact, groups within a larger organization may have different cultures. Some cultures may be fairly explicit. But “most are implicit, understood but not spoken, residing in the language and habits of interaction between the people.”¹

Corporate culture refers to the personality of an organization and the way your members interact and behave. Although culture is too rarely discussed, it pervades an organization and is transmitted from one individual to another. Corporate culture is “the set of rarely articulated, largely unconscious, taken-for-granted believes, values, norms, and fundamental assumptions the organization makes about itself, the nature of people in general, and its environment…organizational culture consist of the set of unwritten rules that govern acceptable behavior within and even outside of the organization.”²

A culture of philanthropy

A culture of philanthropy refers to your organization’s attitude toward philanthropy and fund development (fundraising).

As a charitable organization, an essential part of your organizational culture must include philanthropy. First, focus on culture, not strategy. Why is a culture of philanthropy so

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¹ Pottruck and Pearce, *Clicks and Mortar: Passion Driven Growth in an Internet World*
² Mitroff, Mason, and Pearson, *Framebreak: The Radical Redesign of American Business*
important? Because philanthropy is not just about raising money. Philanthropy (and fundraising) is not just another management function.

Philanthropy is part of the mission of an NGO. You’re not just a zoo or a university. You’re a philanthropy. Indeed, it might be said that successful NGOs pursue two missions: program and philanthropy.

Organizations that operate with a culture of philanthropy understand three things: the value of organizational culture, the importance of philanthropy, and the inextricable link between philanthropy and fundraising.

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Creating a culture of philanthropy

Effective organizations embrace a culture of philanthropy. Each volunteer and every employee feels it. Clients and donors recognize it whenever they connect with the organization.

Everyone in the organization embraces customer-centered and donor-centered….not just mission-centered and client-centered. Everyone in the organization … from the janitor to the chair of the board … understands that philanthropy and fund development are critical to organizational health and that each individual (both the janitor and board chair) has a role in the process.

First and foremost, everyone is an ambassador for the organization’s service, and for philanthropy and fund development. Being an ambassador means doing one’s own job well, understanding how all the various jobs in the organization create one integrated system, and – most especially – treating all of the organization’s customers (clients, donors, volunteers, community people, etc.) with care and respect.

Everyone is also an ambassador for philanthropy and fund development. If the quality of the program is not good enough, it doesn’t matter what the fundraiser does. If board members don’t talk enough about the organization with their friends and colleagues, it doesn’t matter how hard the executive director tries to raise funds. If the receptionist isn’t customer-centered, the best direct mail solicitation will not be as effective as it can be.

Gift size just doesn’t matter. Everyone respects and honors all donors. In fact, the best culture of philanthropy sees philanthropy as a democratizing act.

This is the culture of philanthropy. An attitude. An understanding. A behavior. With a culture of philanthropy firmly established, fund development is more effective.

Board and staff responsibility

Many organizations hire development staff or assign development to their executive director. All organizations should establish a board-level development committee.

But regardless of staff or committee, the board is ultimately responsible for the financial health of the institution. That means that the board is ultimately responsible for fund development.

The board’s fund development committee is responsible to provide leadership and to institutionalize the process of development within the board. The staff provides leadership and information and support and serves as the resource for best practice and the body of knowledge.
However, the best staff and the best committee engage each and every board member – and other volunteers – in the process of fund development. And the best development staff engages all their colleagues in the process of philanthropy.

**Every board member** is responsible to do the following:
1. Understand and promote the culture of philanthropy.
2. Serve as a philanthropic ambassador within the organization and outside in the community.
3. Give an annual contribution to the best of personal ability. When there are special campaigns, give an additional gift.
4. Cultivate relationships on behalf of and in support of the organization.
5. Help identify and cultivate prospective donors and fundraising volunteers.
6. Participate in some fundraising task(s) every year.

**Every staff member** is responsible to do the following:
1. Understand and promote the culture of philanthropy.
2. Serve as a philanthropic ambassador within the organization and in the community.
3. Program staff (or any individuals with direct contact with clients and community) is expected to help cultivate relationships on behalf of and in support of the organization. This doesn’t mean help fundraise. It means being sensitive to and aware of others, providing them with quality service, and paying attention to their interests. Most importantly, program staff needs to share stories, particularly with development.
4. Staff is also expected to work with development staff to support grant applications and other development activities related to program.
5. (And, organizations should give their staff an opportunity to give a charitable gift.)
6. P.S. And, of course, the CEO and chief development officer must give.

[For more information about your organization’s infrastructure – including values and leadership, learning organization and systems thinking, organizational culture and ongoing conversation, participatory decision-making and well-managed change – see Strategic Fund Development: Building Profitable Relationships That Last, 3rd edition. This book also features sections on institutional strategic planning, fund development planning, donor and prospect cultivation and communications, and enabling of volunteers.]