

CATHOLIC DEVELOPMENT + QUARTERLY +

An informational DIGEST to guide development personnel in the emerging field of development.

Volume VIII, Edition 2

THE DEVELOPMENT COUNCIL

Since 1980, our firm has provided consultative guidance to more than 3,000 Catholic institutions and traveled more than 1,000,000 miles in providing our services. Throughout that time, we have come to realize that the single most dynamic component in an effective development program is the Development Council.

Traditionally, Catholic Church board structures have been limited to Finance Councils (mandated by Church law) and Pastoral Councils (recommended by Church law). The prevailing assumption being that Finance Councils would address issues focusing on development. Most Finance Councils address issues of financial management (budgeting, accounting, reporting and monitoring) not issues of creating sources of income. Many Pastoral Councils have evolved into visioning bodies without standing subcommittees that might include a subcommittee on Development.

Catholic school boards have not had a tradition of standing development committees either. Most school boards are made composed of parents, therefore, limiting a broader community based development council which would include older and more influential, affluent men and women.

Only Catholic colleges and universities have a single board structure that lends itself to development responsibilities in addition to general policy formulation, finance, planning, etc. So for most Catholic institutions, the Development Council presents a new model.

The Development Council can be established as a special advisory board to the chief administrator or as a new subcommittee of your current board structure, but remember that the profile and status of your Development Council members may be far different than members of your current boards (see section of this newsletter on Profiling).

The addition of a Development Council is essential to the future of Catholic schools, parishes and other Catholic organizations. When trying to reconcile, add or fit your Development Council with existing boards such as Finance Councils, think of the Finance Council, in a business, as you would the "accounting" division and the Development

Council as the "marketing and sales" division. Your accountants are not responsible for marketing and sales in a business, but in many of our institutions we lump development issues with Finance Councils because they are "financial" in nature. This can be a fundamentally incorrect decision with severe consequences.

Generally, Finance people and Development people are two totally different types of thinkers -- not unlike "right brain and left brain" thinkers.

MISSION OF THE DEVELOPMENT COUNCIL

The Development Council is important to the future of the Catholic institution. Our schools, parishes, dioceses and agencies are no longer blessed with a "Living Endowment" of religious women, priests or brothers who will provide the service of schools, parishes, etc. through their lifelong contribution of service. The future of our Catholic institutions relies on major charitable gifts toward faculty and facility endowment as well as annual funds, major gifts, capital gifts and planned gifts for current and future operations.

The Development Council assists the institution by "case building", cultivating and making calls with leadership and development staff to attract major gifts. In essence, the Development Council is the "sales force" for the institution.

The Council should consider formally adopting a mission statement to assist in its work, focus and purpose. The mission statement should be clear, lucid and articulate without ambiguity. You should assume that deep down, people, no matter how good they may be are reluctant to make calls and raise funds. The mission statement will help to clear away all of the typical roadblocks and excuses for seeking gifts. Typical excuses:

- "We need to conduct a long range plan before we ask people for money."
- "Lets take a look at the internal management procedures first." -- This is the Finance Committee's role.
- "We need to do a survey or more research."

Have your Development Council create a mission statement. New members who join at some future date would also have the mission statement as part of their in-service. A sample mission statement might read like the example below:

ST. JAMES DEVELOPMENT COUNCIL MISSION STATEMENT

"The Development Council of St. James Parish and School seeks to advance the Gospel message of St. James through the education, involvement and financial investment of friends, parishioners, parents, alumni, grandparents and business community. The Council seeks to attract new and exciting gift sources through annual giving, major gifts, endowment gifts, memorials, special gifts and planned gifts."

Try to distance the work of the Council from the traditional sources of revenue for Catholic institutions: fundraising (bingo, raffles, calendar games, etc.), appeals and special collections. Rather, emphasize gifts of assets (stocks, bonds, farmland, etc.) in addition to traditional cash types of gifts (sacrificial giving/offertory, diocesan appeals, pulpit and annual appeals).

STRUCTURE AND FUNCTIONS

The Development Council's work is the implementation of the institution's development goals. The goals, themselves, would be reflected in the work of the Council subcommittees.

A word on Catholic parish and school development: it is our belief that Catholic education is a ministry of the parish. The parish, therefore, would financially support the school. In such instances, we recommend one development council for parish and school.

The subcommittees of the Development Council would probably include the following:

- Annual Fund.
- Memorials.
- Planned Giving.
- Major Gifts/Campaign.
- Tuition Assistance.
- Corporation and Foundation Grants.
- (Sacrificial Giving/Stewardship for parishes).

The chief administrator, with the support of any development staff, is the one who convenes the Development Council on a regularly scheduled meeting basis. Archdioceses, dioceses, colleges, seminaries, religious communities would probably convene quarterly.

The Council meeting consists of the subcommittee reports. The development staff would assist the subcommittee members in their work during the intervening days and weeks between the regular Council meetings. The subcommittee activities and reports could include the following:

- ANNUAL FUND -- conducting the institution's Annual Fund and /or diocesan annual fund including case building, major gift calls, phonathon, direct mail, etc.
- MEMORIALS -- organizing a total and comprehensive Memorial Giving program -- not limited to merely distributing envelopes to mortuaries (see CATHOLIC SCHOOL DEVELOPMENT DIRECTOR'S +*QUARTERLY*+ May, 1991, "Designing a Memorial Giving Program").
- PLANNED GIVING -- this committee would assist the development program through donor research, educational information and programs, referrals as well as advancing information regarding the tax and estate advantages of charitable giving.
- MAJOR GIFTS/CAMPAIGN -- the committee will assist the development committee by having subcommittee members involved in identifying and calling on major gift prospects. The committee can also be active in calling on outstanding prospects from a recent campaign and securing lead gifts or advance gifts for an upcoming campaign.

- TUITION ASSISTANCE -- deploying a gift program to encourage donors to give in support of tuition awards to needy students and families. Tuition assistance has a compelling case and would be a special giving opportunity or appeal above and beyond the Annual Fund or other program.
- CORPORATIONS AND FOUNDATIONS -- case building and soliciting gifts from corporations and foundations with formal charitable giving programs. This subcommittee (as all subcommittees) should have significant "clout" and influence to generate this type of funding. Remember, only 10% of all charitable giving comes from corporations and foundations, so only about 10% of your time and efforts should be expended in this area.

+*QUARTERLY*+ CHECKLIST

This edition's **CHECKLIST** focuses on criteria for membership and what you should be looking for in a Development Council member. Developing criteria for membership on your Development Council is essential to development success. It is important to recruit the right people.

Make sure you select people of faith who are committed, converted and who have been previous donors to your institution. Remember 80% of all charitable gifts come from "churchgoing" people.

Never, never invite someone to serve on any board and certainly not on your development council who does not have a donor track record. Inviting people to serve who are wealthy, in order to convert them to your cause, invariably fails and has an overall negative impact on the program. Look to the following criteria:

- Practicing Catholic.
- Previous donor.
- Sends or has sent children to Catholic schools (where available).
- Has previously demonstrated development leadership at your institution or elsewhere.
- Can make and is willing to make calls.
- Can lead a subcommittee.
- Influential in Catholic, parish or community circles.
- Can follow through on work and will attend all meetings.
- Recommended by his/her pastor.
- Can make his/her annual gift to support the institution.
- Will serve on and give to future campaigns.

The selection process can be lengthy and difficult. Simply, if you approach certain people during the selection process and they are reluctant to financially support the institution and make calls -- you don't want them anyway! Remember, don't use the Council as a way to convert them to development work. The Development Council, with the best membership possible, can dramatically and positively impact your development program. Serve your council members well and make them successful in their work and your development program will flourish.

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