

Nonprofit Junior Boards

The benefits of starting young





What is a nonprofit?

A nonprofit organization is a legally formed tax-exempt entity whose purpose is to benefit the public interest. The IRS defines more than 30 categories of tax-exempt organizations, and the most common nonprofit is classified as a 501(c)(3), which includes public charities and private foundations. For the purpose of this paper, we are focusing on public charities, which include common causes such as those listed below for reference:

- Animals
- Arts and culture
- Community and economic development
- Education
- Environment
- Faith and spirituality
- Health
- Human and civil rights
- Human services
- Research and public policy

Introduction

The nonprofit sector plays a vital role in providing services for needs that are not otherwise sufficiently addressed. As a result, nonprofit activities generate incredible impact on communities and the economy. The nonprofit sector represents the third largest workforce in the US, and of the approximate 1.6 million tax-exempt organizations that exist, public charities represent over 1 million of them.¹

Public charities are required to have a board of directors—a governing body that is responsible for providing programmatic, financial and risk oversight. A board's role is to ensure the welfare and direction of the organization, and to hold the organization in "trust" on behalf of the public. While stewardship is both a legal and moral responsibility, it is not compensated. In fact, nonprofit board members are expected to make charitable contributions to support the very organizations they oversee. This is part and parcel of the charity sector as it exists in the US.

Another element within this board oversight and governance construct that is becoming increasingly prevalent is the idea of auxiliary bodies that serve as an extension beyond governing boards to help support and further the mission of the nonprofit organization. One such auxiliary body is the concept of a non-governing **Junior Board** (young adults typically between 25 – 40 years old), which provides additional sweat equity for governing board responsibilities, creates more ambassadors and advocates, and can help raise funds and awareness for the organization.

While there are many names for non-governing boards (e.g., "Associate Boards," "Young Professionals," "Young Leaders Council," "Leadership Council," "Rising Innovators," etc.), for the purpose of this paper, we will refer to them as "Junior Boards." The design of a Junior Board may differ too when it comes to the underlying role within the organization. The Junior Board does not have a true fiduciary responsibility to the organization; rather, it is an advisory group formed to bring new ideas and vibrancy to an organization and to help steer the mission and vision. The boards may be labeled "young" or "junior," but they garner a great deal of respect within an organization and are considered some of the most essential relationships to cultivate. Ultimately, Junior Boards are seen as the rising or next leaders in the organization's governance.



Ten reasons to consider joining

Assuming you are not ready to join a governing board (not yet having sufficient seniority or leadership experience, limited financial ability, still developing your network, etc.), there are many benefits to joining a Junior Board:

1. Immerse yourself in a cause you care about
2. Meet people who share similar passion who you may not have met otherwise (enhance your network)
3. Hone skills and learn new ones (personal and professional enrichment)
4. Gain a better understanding of group dynamics through participating in a working body
5. Learn about and actively fundraise
6. Serve as an ambassador
7. Get a window into the work of a board of directors
8. Become prepared for board service down the road (familiarize yourself with good governance practices and how boards operate)
9. Get exposure to leadership, strategic oversight, collaboration, influence and negotiation
10. Observe how nonprofits work—even if you have a job in a different sector, industry or function, this can help you round out your exposure and experience

Some nonprofit organizations use their Junior Board as a pipeline for future governing board members, as it is a great training ground for members who are already engaged and involved. It should be noted that organizations also sometimes do invite young members to their main governing Board of Directors (circumventing a Junior Board as a prerequisite). Serving on the main governing board in no way diminishes the need for or importance of the Junior Board.

Why join a Junior Board?

The first step in considering a Junior Board is to be clear on the benefits of joining that auxiliary board. While there are similar characteristics to all non-governing boards, there are distinctive benefits to Junior Boards, such as the gravitas of joining boards with public relations visibility and the pathways it may surface for future board appointments. It may also be deeply rewarding for someone interested in a particular issue.

A key benefit of joining a Junior Board is the opportunity to practice your values through your board service or philanthropy. The first step is to clarify your personal "why"? What are the personal values you want to lift up through the volunteer leadership experience? Every organization operates as its own value system—whether it be an arts organization that values innovation, or a college success organization that values inclusion. Centering on your individual values will help you source the nonprofit board you want to serve on, and will nourish your motivation to be a productive member of the board.

Another question to answer when considering joining a Junior Board is what is it that you want to learn and from whom? Prior to joining any board, you may consider meeting with an existing Junior Board member and asking questions on board dynamics. It is also common to meet with the nonprofit's leadership to better understand expectations.

Regardless of board structure, Junior Board service presents a forum to be in service to a mission of a charity that is personally meaningful, and allows for learning skills that are transferable to a current or prospective career. It also provides an opportunity to network with like-minded peers as well as meet and work with people one might not otherwise come across in their professional or personal lives. Amongst any board experience is the opportunity to develop leadership prowess, observe conflict resolution and consensus building in action, and be part of moving an organization's strategic focus and fundraising forward.



Examples of Junior Board Committees and corresponding responsibilities

- **Leadership committee:**
Sets direction and objectives in partnership with the organization's staff. Typically comprises the Board Chair, Vice-Chair and Committee Chairs.
- **Development committee:**
Establishes a fundraising goal and supports Junior Board members with their personal giving and soliciting contributions from those in their networks.
- **Events committee:**
Responsible for organizing fundraising events. These events can include smaller quarterly events (in-person and/or virtual), and/or a large annual event.
- **Programs committee:**
Identifies and coordinates volunteer opportunities for Board members; assists staff members with carrying out the organization's goals.
- **Governance committee:**
Recruits new members, as well as provides performance oversight for existing members, including their "give/get" commitments.

What are the expectations for joining a Junior Board?

Increasingly, nonprofit boards are looking for young leaders to provide their diverse intellectual capital and insight to fulfilling the mission of the organization. The organization benefits from the young leaders' fresh perspective, personal and professional networks, and access to new funding. In exchange, Junior Board members are able to see into the operations of the organization, and get exposure to the management of the nonprofit, especially in fundraising and programming. Ultimately, the relationship between the organization and young leaders can create dynamic change and growth for both. Now that the benefits are clear, the commitments must also be clear for this to be a rewarding and fruitful engagement.

It is often said, encouraged and suggested that board members give their "time, talent and treasure" to an organization as part of their expected contributions. This holds true not just for governing boards, but for Junior Boards too. These gifts can be the difference between an organization growing, evolving and having the ability to sustain its operations or ultimately failing and closing its doors.

When you examine these gifts in greater detail, they aren't just about clocking volunteer hours, sharing a particular expertise or providing monetary support. Young or rising leaders provide intellectual capital and insight from a diverse point of view and often bring the organization different or new perspectives. The organization benefits from the young leaders' motivation, personal and professional networks, viewpoints and access to new funding.

Time

The expected time commitment is typically a minimum of one year, and often runs throughout the organization's fiscal year (for some nonprofits this runs from July 1 – June 30, for others, it is the calendar year). Most Junior Boards will also look to foster members who are interested in multiyear commitments. While one year is typically the minimum commitment, it is important to understand the cadence with which Junior Boards convene (e.g., monthly, quarterly, etc.), as well as the time required to accomplish goals set out by the board over a set number of years.

Talent

Many Junior Boards will have members join various committees focused on different objectives based on their "talents" or interests. The most common committees are those focused on development and events, and may in some cases also extend to programs. While Junior Board committees may support the work of the governing board, Junior Boards will have their own committee mandates and overarching "raison d'être." These committees may require time outside of routine meetings, so it is important to reflect on how to best offer both talent and time. Committing talents and skills to a specific committee can be a great way to help the board accomplish certain objectives, which also feeds into a personal sense of reward and accomplishment.



Fundraising tips

- Space out contributions by making gifts in monthly or quarterly increments
- Set a reminder to contribute before the end of the organization's fiscal year (keeping in mind that the end of the fiscal year may be June 30, not December 31)
- Establish a goal for contributing any remaining funds you cannot successfully fundraise
- Explore whether your employer offers employee match funding on contributions (note: if so, this process can sometimes take several weeks or months to validate and process contributions)
- Try fundraising by promoting events and opportunities through your network of family, friends or other acquaintances by direct appeals and/or via social media
- Consider hosting a fundraiser for a special personal event (birthday, anniversary, etc.)

It is important to note that each committee usually has a leader, typically referred to as a "Committee Chair." These positions are often held by those who have been on the Junior Board and/or on the committee for a longer period of time. Holding these leadership positions come with increased responsibilities, and are excellent opportunities to contribute even more of your time as well as help further evolve and refine your own leadership capabilities.

The Junior Board is often supported by someone within the organization who serves as a point person or liaison to support the Junior Board and also ensures the work of this board is aligned with the overarching goals of the organization and governing board.

Treasure

In addition to time and talent, Junior Board members may be encouraged (or required) to give "treasure". Most boards have what is known as a "give/get" commitment, where board members are responsible for contributing a certain amount of money each fiscal year, and this often applies to Junior Boards as well. Junior Board members can "give" (donate) this amount of money and/or they can "get" (solicit) it through contributions to the organization.

For example, if a Junior Board has a "give/get" of \$10,000, a board member may opt to give \$5,000 and fundraise for the remaining \$5,000. Similarly, this "give/get" can be met by donating the entirety or raising the full amount (without donating any money). This is increasingly rare, as it is important for everyone to "buy-in" to the work of the organization. In other words, if the board members of the organization do not believe it is worth investing in financially, then how can they make a compelling case for others to do so? Giving your time or services alone is a dated practice.

Flexibility in how this policy is administered may vary at each organization, but generally, a "give/get" policy allows organizations to ask board members to meaningfully contribute financially in addition to their participation and strive for reaching 100% participation in meeting the give/get requirement. Funders also typically ask if there is 100% board participation in fundraising (both "give" and "get" components), as this aids the organization in receiving critical funds from local and national funders.



Are You ready to join?

In addition to determining what you can offer at this stage of your professional trajectory and personal life stage, here are some areas for you to gain clarification to determine fit:

- How can I be useful to the organization/Junior Board?
- What is the mandate of this auxiliary body? What do we do?
- What is expected of me (e.g., time/talent/treasure)?
- What kind of time, how often are meetings and when?
- Are there terms, term limits?
- What is the financial expectation?
- Is there a "give/get" goal?
- How many members are on the Junior Board and do I feel I can make an impact?
- What is the connection/access to the governing board and to senior leadership of the organization?
- Are there formal leadership roles on this Junior Board?
- How do opportunities arise for these roles?
- How will this engagement also contribute to my growth and development?

Conclusion

Either you have been invited to consider joining a Junior Board, or you are proactively seeking out such opportunities. There are key considerations to help you determine if it's the right fit, a worthwhile opportunity/endeavor and whether you are ready to take on this responsibility.

Some Junior Board candidates will be driven to work with an organization whose mission and purpose they admire, and others may be more drawn to an organization that is facing challenges, irrespective of mission. The volunteer sector is vast, and whether a well-oiled machine, an organization in turnaround or something in between, Junior Boards are for those ready to immerse themselves more directly into charitable leadership, for personal growth, to be of service and for a glimpse into moving a social change inspiration forward.

How may we help?

The UBS Family Advisory and Philanthropy Services team can assist you in defining your philanthropic goals. Broadly speaking, we can help dive deeper into the topics of this paper as well as a number of other related topics for you and your family, including:

- Articulating shared values and purpose
- Uncovering, refining or expanding on philanthropic interests
- Activating philanthropic aspirations
- Giving for maximum impact
- Ensuring that giving is effecting change
- Engaging the rising generation in your family's philanthropy

Want to learn more?

Speak with your UBS Financial Advisor about the resources available to you.

¹ Source: The Urban Institute, Charitable Center for Nonprofit Statistics.

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