

AFP Coffee Chat

Donor Relations and Stewardship

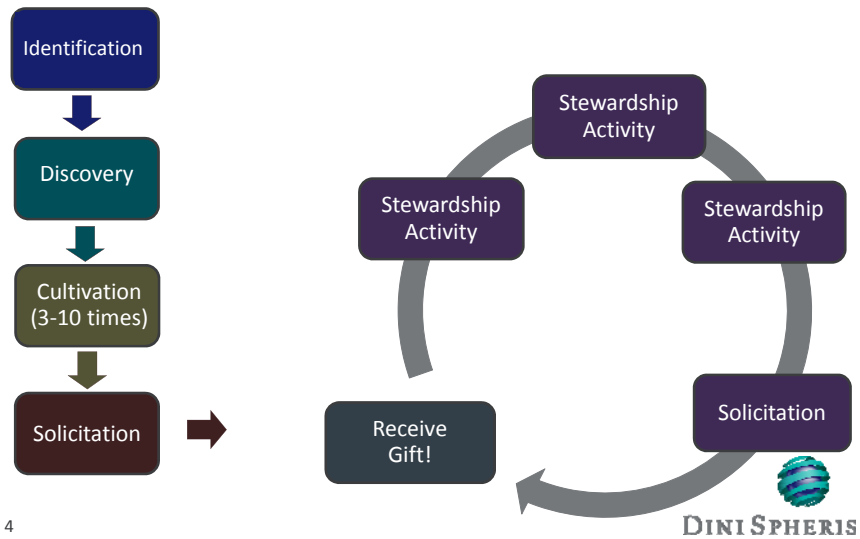


What We'll Discuss Today

- The difference between Donor Relations and Stewardship
- Best Practices in Donor Relations and Stewardship
- Putting these activities into practice in your organizations
- Group Share and Q&A



Donor-Centered Fundraising Cycle



4

Definitions

Donor Relations is the comprehensive effort of any nonprofit that seeks philanthropic support to ensure that *donors experience high-quality interactions* with the organization that fosters long-term engagement and investment.

Stewardship is the outcome of comprehensive, gift-based activities related to *ensuring compliance with donor intent, and designed to build trust* between philanthropists and the nonprofit organizations they choose to support.

5



Simply Put.....

Stewardship is related to the *gift*.

Donor Relations is about the *donor*.

6



Simply Put...

Stewardship is tied to the *gift the donor gives*; one cannot steward a donor, only their giving.

*Donor relations is **pro-active**, and stewardship is **reactive**.*

7



Donor Relations

Donor relations involves a great deal, both in anticipation of the gift and in preparation for a long-term relationship that must be cultivated in order for positive philanthropy to occur.

8



Elements of Donor Relations

1. **Gift acceptance and management-** policies and procedures that address a variety of issues that must be considered before accepting gifts, as well as procedures that ensure gifts are put to work as donors intend.
2. **Acknowledgement-** accurate, timely and meaningful expression of gratitude.

9



Elements of Donor Relations

3. **Donor recognition-** the public form of donor acknowledgement ranging from activities that are automatic such as giving societies , to those that are undertaken with involvement of the donor such as named space signage. Other examples:
 - Donor profiles in publications such as newsletters, annual reports, and press releases
 - Donor recognition events, awards and volunteer engagement opportunities
4. **Reporting -** to donors on the impact of their gifts on the Organization's mission.
(*More on this in the Stewardship section.*)

10



Examples of Good Donor Relations

- Sending a prompt thank you and receipt (whether for charitable tax purposes or not).
- Sending a special handwritten note or making a phone call after their first gift.
- Ensuring gifts are used for their intended purpose.
- Offering tours of your facility to your donors to see your mission in action.

11



Examples of Good Donor Relations

- Involving and engaging donors in the Organization's work. Perhaps even inviting them to volunteer.
- Building understanding of the need and providing solutions for the donor to help.
- Including them in an annual "insiders' look" event for donors.

12



Examples of Good Donor Relations

- Sending birthday and holiday greetings.
- Customer-service focus means the entire team — staff, board and volunteers play a role in relationship building.
- Accountability in action — funds are tracked (which requires adequate software).
- A functional database and trained staff who can mine the information.

13



Examples of Good Donor Relations

- Timely and appropriate reporting to donors.
- Recognition reflects the gift size.
- Benefits are not costly or extravagant.

14



Stewardship

- Stewardship is critical to retaining donors and cultivating future giving.
- Activities associated with stewardship are focused on ensuring that the funds provided by donors are utilized in the way intended as conveyed in gift agreements.
- Stewardship is a function inherently internal to an organization, rather than a donor-facing, external function.

15



Examples of Good Stewardship

- Sending **acknowledgment letters** within 24-48 hours of when you receive the gift.
- Preparing a **formal gift agreement** that codifies donor intent, recognition, schedule of payment, and other important points.
- Creating and **implementation and stewardship memo** that serves as a tool to communicate the necessary elements of the gift agreement with other organization partners such as the Business Office and Programs Office.

16



Examples of Good Stewardship

- From a reporting perspective, **being proactive with organization partners**, reminding them of the funds you will need reports for, what they should look like and by what date.
- Conducting **spot audits** throughout the year to make sure that the gift is being used according to the donor's wishes.

17



Examples of Good Stewardship

- Hosting an annual **Stewardship Training Session with Staff**
 - Review stewardship best practices
 - Review current stewardship plans as they relate to their areas
 - Discuss and capture what is currently happening in stewardship from their viewpoint

18



Examples of Good Stewardship

- Sending an **annual report** on how the gift was used.
- Where appropriate, sending **endowment reports** that demonstrate the impact of their gifts on the Organization's mission. Including a qualitative impact report and a quantitative report that verifies the carrying out of your fiduciary responsibility and the status of their endowed fund.
- Sending personalized **scholarship recipient letters** to donors that share the impact of their gift (or related letter).
 - Share this expectation with your scholarship recipients
- Sending a **follow-up tax letter** in January of each year.

19



Consider these Best Practices for a Donor Relations & Stewardship Plan

- Consider creating **Donor Relations and Annual Fund Coordinator** position or at least making sure an existing position has the following responsibilities:
 - This individual's responsibilities would include
 - Managing the thank you letter process
 - Developing written reports to key donors on the use and impact of their gifts
 - Coordinating stewardship events
 - Creating and managing gift societies

20



Consider these Best Practices for a Donor Relations & Stewardship Plan

- A **strategic thank you letter process** that celebrates higher level gifts with recognition from top level leadership.
- A **quarterly or semi-annual conference call hosted by the Executive Director** for all donors.
 - Utilize the call to thank donors, update them on ongoing activities, report on the financial health of the organization, and reinforce the organization's impact on the community.

21



Consider these Best Practices for a Donor Relations & Stewardship Plan

- An **individualized stewardship program for all lifetime donors of \$25,000 (or relative gift level) or more**. This stewardship program will ensure that donors annually receive a minimum of one face-to-face visit and one phone stewardship call from a member of the development team. During these conversations, staff will not only thank the donor, but also report on the use and impact of their gift.

22



Consider these Best Practices for a Donor Relations & Stewardship Plan

- For donors of \$1 to \$1,000, a semi-annual **thank-a-thon call program**. During a two-day period, volunteers and/or advocates would call and thank all donors in this category. An email follow-up message can be sent to donors that cannot be reached by telephone.
- For \$25,000+ donors, a **donor check list** should be utilized to ensure gifts are properly recognized and celebrated.

23



Consider these Best Practices for a Donor Relations & Stewardship Plan

- Explore opportunities **for donor recognition** which could include:
 - An annual published donor honor roll which could be included in an annual report;
 - Donor recognition signage within the facility that is updated annually based on previous year gifts;
 - Donor spotlights in the newsletter; and
 - Donor listings in community publications through the purchase of advertisements (i.e. publishing a list of organization donors in the Denver Business Journal).

24




Gift Check List for Gifts of \$25,000 or greater

This check list is intended to act as a guide when a gift of \$25,000 or more is received by XYZ College. It is an internal document intend to help the development team consider a range of ideas for celebrating a gift. Not all donors will desire all ideas contained herein and not all gifts may merit consideration of such idea. They are presented to ensure XYZ College is thoughtful, strategic, and thorough when stewarding a gift.

Consider the type of donor:

- **Do they like grand attention and publicity?
- **Do they prefer moderate publicity?
- **Would they prefer a more personal, private recognition?
- **If they're giving anonymously, consider which cultivation efforts would be appropriate.

Recognition Type	Responsible Party	Notes
Thank You Letter(s)		
Board Chair		
Executive Director and President		
Chief Development Officer		
Director of Development		
Other:		
Other:		
Other:		
Thank You Phone Call(s)		
Board Chair		
Executive Director and President		
Chief Development Officer		
Director of Development		
Other:		
Other:		
Other:		
Gift Announcement(s)		
Internal to staff (invite donor?)		
Special board meeting or phone call (invite donor?)		
XYZ College Newsletter		
Press Conference		
Press Release		
Local newspapers Advertisement (which?)		
Mention in society pages		
Investment publications		
Announcement to local donor advised groups/foundations		
Other:		
Other:		
Other:		
Stewardship Activities		
Thank you gift from XYZ College (What? Who presents?)		
Visit with XYZ College Board, leadership, Deans, staff		
Reception/party in honor of donor (where? Who is invited?)		
Recognition at special event		
Donor spotlight in XYZ College newsletter		
Private dinner or lunch (with who?)		
Recognition plaque with donor's name		
Other:		
Other:		



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25

Guiding Principles of Stewardship

The goal of stewardship activities is to develop and preserve meaningful connections between donors and the organization. As such, you should strive to uphold these guiding principles as you build and execute your donors relations and stewardship program.

1. The Organization is committed to developing **long-lasting and meaningful relationships** with your donors that **connect** them back to the Organization and the impact of their gift.
2. Relationships with your donors are contingent upon **trust**. As such, **honoring donor intent** is of paramount importance, and is a responsibility accepted by the Organization as a whole.
3. From their **first gift to their last gift**, the Organization will be a good steward of your donors' gifts and time.
4. You will focus on activities that are **strategic and ongoing**, and you will strive for continuous improvement of your donor relations and stewardship programs.



Let's Talk About the Challenges

- Limited resources and bandwidth of staff
- Communication between Development staff, the Operations and Finance office, and other departments who play a role in administering the funds.
- Inability to track the numerous documents and the clauses they contain in any kind of systematic function.

27



Discussion:



- What does stewardship look like at your Organization?
- What does donor relations look like?
- What are some of your Organization's best practices?
- What are your challenges in this areas?
- What are some things that your team would like to do if you had more time?

28



Contact Information

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Resources:

Association of Donor Relations Professionals (ADRP)

<https://admin.artsci.washington.edu/stewardship-donor-relations-toolkit>

<https://fundraisingwonks.com/2017/09/28/fundraising-donor-relations-vs-stewardship/>

<https://www.linkedin.com/pulse/20140821105438-22480710-the-difference-between-stewardship-and-donor-relations/>

29



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