



## Donor Engagement Part Two: Donor Stewardship and Recognition and Roles of Staff, Board, and Other Volunteers in a Donor-Centered Development Program

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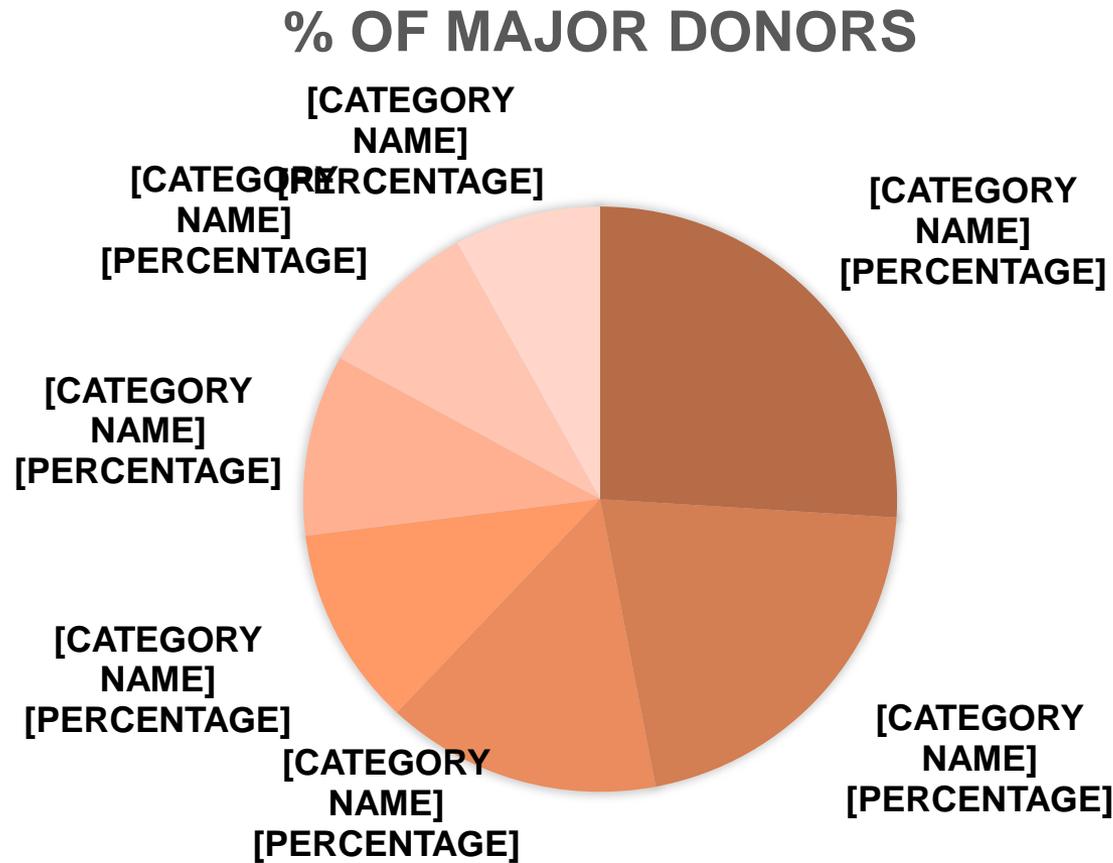
# I. Donor Stewardship and Recognition

## Why Donors Give?

- To improve their community
- To honor their beliefs
- To solve a problem
- To give back
- To facilitate change
- To contribute to society
- To promote/market themselves or their business.
- To honor their family/loved ones
- *Because they are asked!*

It is important to take donors' giving motivations into account when stewarding gifts.

# 7 Faces of Philanthropy



Source: *The Seven Faces of Philanthropy* (1994) Russ Alan Prince and Karen Maru File

# 7 Faces of Philanthropy & Stewardship

## **Communitarians (26%)**

### Motivation:

- Give primarily to improve their community.

### Benefits:

- I give to be involved in my community.
- I donate to reinforce business ties I have.

# 7 Faces of Philanthropy & Stewardship

## **The Devout (21%)**

### Motivation:

- Support non-profits for religious and spiritual reasons and feel that giving is a moral obligation.

### Benefits:

- I believe God intends for me to help others, so I give.

# 7 Faces of Philanthropy & Stewardship

## **Investors (15%)**

### Motivation:

- See their contributions as investments and look for the return on investment both for their communities and for their bottom line.

### Benefits:

- I donate at the specific suggestions of my financial advisors.
- I am aware of the need to make a donation for personal tax, estate, or other financial reasons.

# 7 Faces of Philanthropy & Stewardship

## **Socialites (11%)**

### Motivation:

- Believe that giving provides entry into a desirable social circle.

### Benefits:

- Nonprofit-related social events let me enjoy myself for a good cause.
- I donate because I find social events for non-profits appealing.

# 7 Faces of Philanthropy & Stewardship

## **RePAYERS (10%)**

### Motivation:

- Operate out of a feeling of loyalty and obligation.
- They believe that they should give back to the communities and institutions that have contributed to their lives.

### Benefits:

- I or someone else close to me has benefited directly from the services of non-profits, so I give.

# 7 Faces of Philanthropy & Stewardship

## **Altruists (9%)**

### Motivation:

- Contribute out of generosity and empathy.
- They believe philanthropy is a moral imperative that gives life a sense of purpose.

### Benefits:

- I support non-profits because their goals are consistent with my values.
- Supporting non-profits gives my life greater purpose.

# 7 Faces of Philanthropy & Stewardship

## **Dynasts (8%)**

### Motivation:

- Give because they are expected to.
- Giving is deeply embedded in their family tradition and often plays an important role in family relationships.

### Benefits:

- It is “expected of me” to support non-profits.
- Giving to non-profits has been something my family has always stood for.

## 7 Faces of Philanthropy & Stewardship

Understanding the 7 faces of philanthropy can help you learn what motivates your donors so that you may provide tailored stewardship to them.

- Listen to how donors articulate their giving motivations and values.
- Observe what patterns develop within their giving and volunteer engagement.
- Understand their personal background, family values, corporate ideals, etc.

# Importance of Donor Stewardship

**Stewardship** /noun / stew·ard·ship

*“The careful and responsible management of something entrusted to one’s care.”*

# Importance of Donor Stewardship

Stewardship is not just about sending a thank you note within a 48 hour window of receiving a gift.

It is about valuing your donors and building personal, in-depth relationships that cause them to want to invest in your organization more – and make them feel good about their own philanthropy.

# Importance of Stewardship

- A key ingredient in effective stewardship is the ability to communicate progress towards a shared vision.
- Important to think of stewardship as part of an ongoing process:
  - Retain donors through effective stewardship;
  - Motivate them to become champions of your cause among their constituents; and
  - Acquire new prospects and donors who share in a common vision and mission.

# Importance of Stewardship

Effective stewardship requires volunteer and staff leadership to:

- assure the donor that gifts are used in accordance with the donor's wishes;
- be transparent and forthright about how gifts are managed; and
- be proactive and consistent in the acknowledgement and recognition of donors and volunteers for their gifts in a manner that is appropriate and best suits the donor and/or volunteer's needs.

# Importance of Stewardship

## Benefits of Stewardship:

- Provides a “thank you” and formal acknowledgement and recognition of a gift, including official tax information.
- Demonstrates accountability to the donor for their investment in your mission.
- Strengthens donor relationships and trust with your organization and builds relationships with multiple stakeholders.
- Allows you to engage the donor in conversations about the future of the organization, deepening their commitment to your mission.
- **Stewardship is the first step in cultivation of the donor’s next gift to your organization.**

# Pro-active vs. Reactive Stewardship

## Reactive Stewardship:

- Activities which acknowledge the gift, but do little to further the relationship.
  - Thank you letters
  - Thank you calls
  - Gift receipts
  - Recognition societies/Giving circles
  - Donor listings

# Pro-active vs. Reactive Stewardship

## Pro-active Stewardship:

- Activities which **engage** with major donors and strengthen and build their trust and commitment to your organization
- Integrates cultivation with stewardship.
- Relationship-based, not transaction-based.
- Builds future major gift commitments.
- Follows a program of gift recognition standards, but feels personal and individualized to the donor.

# Establishing a Pro-active Stewardship Program

## Key Components:

- Donor agreements that clearly identify the guidelines of gift fulfillment.
- A system to track, schedule, and fulfill stewardship activities.
- Impactful and timely gift announcements.
- Stewardship reports that are thorough and customized.
- Personal visits with the donors.
- Written stewardship plans.

# Creating a Pro-active Stewardship Plan

- **Key Considerations:**
  - Who are our top donors and what do we currently share with them?
  - What do our donors need and want from us?
- **Additional Considerations:**
  - Types of stewardship reports needed and frequency
  - Specific reporting requests from donor agreements
  - Duration of stewardship reporting
  - Frequency of contact and person responsible
  - Standard communication vehicles available – newsletters, invitations, reports
  - Customized stewardship components we can incorporate
  - Assignment of tasks
  - Timing of next solicitation

## **II. Roles of Staff, Board and Other Volunteers in a Donor-Centered Development Program**

# Teamwork in Fund Development

- Fund development cannot be a priority for just one person/department.
- The board, chief executive officer, and staff must all share the responsibility for fund development in support of the mission.
- It is important to identify key tasks and persons responsible so that the roles are clear and well understood.

# Fund Development Roles Best Practices

- Articulate the role of fund development within the overall strategic direction of the organization.
- Promote a shared vision for fund development as a means to an end, rather than the end.
- Implement a fund development plan that clearly articulates how money will be raised, from whom, and for what purpose.
- Increase personal contact with key constituents, resulting in more money and increasing awareness of the mission.

# Board's Role & Responsibilities in Fund Development

- Carryout their fiduciary responsibility & strategic guidance of the organization.
- Understand the financial needs of the organization and help determine the role of fund development in meeting those needs.
- Set strategic priorities for the organization and fund development goals to accomplish the priorities
- Ensure that fund development is a high priority for both the board and the administration.
- Review, approve, and monitor the fund development plan
- Approve and endorse periodic campaigns.
- Support the fund development program by identifying prospective donors, opening doors for the staff, and participating in donor solicitations as appropriate.

# Board's Role & Responsibilities in Fund Development, Continued

- Be an advocate in the community for the organization sharing conviction for the mission as a means of “friend-raising.”
- Thank and steward donors for their gifts
- Assist in preparing the case for support and be able to explain the case to prospective donors.
- Receive reports and recommendations from the fund development committee and support the committee in their work.
- Make individual gifts to the organization on an annual basis and periodically make larger gifts in support of special projects or campaigns.

## Development Committee's Role & Responsibilities in Fund Development

- Understand, in detail, the financial needs of the organization and help determine the role of fund development in meeting those needs.
- Set overall fund development goals in light of established needs of the organization and in conjunction with the recommendations of staff.
- Educate the full board on issues relating to fund development.
- Assist the fund development staff in their work by identifying donors, opening doors, and participating in solicitations.
- Lead by example by making personal gifts and agreeing to solicit peers for annual fund and project/campaign gifts.
- Set goals and expectations for board members for their personal giving.

## Development Committee's Role & Responsibilities in Fund Development, Continued

- Review and recommend policies for gift acceptance and recognition.
- Ensure appropriate stewardship of existing gifts and continued relationship building with previous donors.
- Receive periodic reports from the development office on progress toward goals and hold the department responsible for meeting previously agreed-upon goals.
- Periodically oversee the planning and implementation of fund development work for specific projects and more comprehensive campaigns.
- Periodically review the resources and staffing of the development office to ensure the office has the appropriate resources to do its work.

# Staff's Role & Responsibilities in Fund Development

- Create and implement a fund development plan that supports the objectives and funding needs of the organization's strategic plan.
- Develop a timeline and structure for the various solicitation methodologies needed to implement the plan.
- Identify prospects at various gift levels for personal solicitation.
- Support volunteers (board and others) in the fund development process.
- Create the organization's case for support with input from various stakeholders and in keeping with the organization's strategic plan.

# Staff's Role & Responsibilities in Fund Development, Continued

- Cultivate, solicit, and steward donors.
- Create and implement a donor stewardship plan.
- Evaluate the effectiveness of the fund development plan and the return on investment per the budget and philanthropic revenue.
- Make your own gift.

## Questions for Reflection

- How can you utilize a tool like *The 7 Faces of Philanthropy* to better understand the motivations of your donors?
- Do you have a detailed stewardship plan that is proactive and engages a variety of stakeholders in the process?
- How can you strengthen donor stewardship at your organization?
- Are the roles of your board and volunteer leadership clearly articulated and understood?

# Questions and Answers

