

Stewardship

Stewardship is the way to keep donors committed to the cause. Stewardship, communication, donor relations and donor recognition are all linked in that they help build relationships with donors over the long term. Experts report that it costs four times more to attract a new donor as it does to keep one. This is much the same as it costs more in business to attract a new customer than it does to keep someone coming back over time because of perceived good value and customer service.

According to Penelope Burk's¹ research with Canadian philanthropists and companies, donors say they have three main needs:

1. Prompt gift acknowledgement
2. Confidence that their gifts have been "sent to work" as intended
3. Measurable results of gifts at work before another gift is requested.

The 2001 National Survey of Giving, Volunteering and Participating reported that:

- More donors have concerns about charitable fundraising. Many reported, "not liking the way in which requests are made" (47 percent compared to 40 percent in 1997) as reasons for not donating more.
- About 46 percent cited "thinking the money will not be used efficiently" as the reason they don't donate.

Poor stewardship may occur because an organization is too focused on day-to-day operations or finding new supporters, than on keeping in touch with donors after receiving their gift. Although it is important to acquire new donors, it is also critical to organizational success to develop strategies to build strong and lasting relationships with supporters.

An effective stewardship program should include the following elements:

- Thank the donor
- Keep the donor informed
- Ensure donor satisfaction
- Encourage additional gifts
- Secure the support of the donor's family.

Donors want to be reassured that they have invested wisely in your organization. You will need to develop your own plan based on your activities and available resources. Here are some ideas to consider.

Financial Accountability

- Promptly acknowledge all gifts with correct receipting, if eligible.
- Ensure that any conditions of the gift are met. A basic element of stewardship is maintaining the trust of the donor. The donation must be used responsibly and any specific obligations or promises made to the donor must be fulfilled.
- Report back regularly on how donations are being used to support your organization's mission, vision, goals and objectives.
- Develop donor reports for endowed funds. Report should include the assets and income in the fund, any changes in the fund value and an accounting of disbursements from the fund.
- Feature financial information in newsletters, brochures and web site linking donations to benefits. For example, "for every \$100 donation, our group is able to . . . ", a \$1,000 donation made it possible to . . . "

¹ Burk, Penelope (2001) Thanks! . . . A Guide to Donor-Centred Fundraising. Chicago, Ill.: Burk & Associates Ltd.

- Provide audited financial statements to anyone who wants a copy and let donors know that they are welcome to receive a copy through a notice in a newsletter or website.
- Recruit professionals with financial background to volunteer on your board and committees dealing with finance and investments to enhance your knowledge base and credibility with donors.
- Develop a statement of investment beliefs, an investment policy and work with accredited professional advisors.
- Describe to the donor how their last donation was used before asking for more money. Donors want to know that their money was used effectively and that it helped people in the way they intended.
- Send timely pledge payment reminders.

Communication

- Customize thank you letters for donors with special interests. That may mean only changing one paragraph of a standard letter to speak personally to that donor.
- Survey donors, when appropriate, to solicit their feedback on the method and frequency that you are communicating with them. You can also use this method to gather more information about your donors: demographics, volunteer activities, related experience, other charities they support, interest in serving on your board, a committee, or working group.
- Respect donor wishes in regard to recognition and mailings. Some donors would rather not receive mailings and wish to have their donations remain anonymous. Ensure that these wishes are respected. Otherwise they should be thanked as other donors are. More person-to-person and telephone contact should be used to keep these donors informed and ensure that they receive important information. They may require more information on the use of their donation when there is an additional donation request.
- Communicate with donors whenever appropriate. Take the opportunity to send notes to them or call them when you read something about them in the paper or hear of something related to them or their interests. Send information and articles to them that you think might interest them. Communication strengthens their relationship with your organization.
- Include a feedback card with mailed information and on the website for donors to ask questions or make comments. Make sure that someone is responsible for responding to these enquiries in a timely fashion.
- Develop frequently asked questions (FAQs) and answers, and share them with donors and other supporters on the website or in publications.
- Invite donors and their families to the Annual Meeting, a launch event, tour, education sessions, strategic planning events and other opportunities to keep the donor involved and to build the relationship.
- Ask key donors to review a new draft brochure, case for support, or web site for content and functionality.
- Produce an annual report that provides an overall and longer-term perspective on the organization. It should include the organizational goals and objectives and how they have been met over the previous year.
- Personally deliver an annual report or a receipt for an annual life insurance premium to provide an opportunity to speak with the donor.
- Talk to donors whenever you can and build rapport. Take the opportunity to talk to your donors whenever you see them and cultivate authentic relationships. Fund developers need to be friendly and outgoing. Small talk about their family, what they have been doing and things that interest them helps to build a relationship and demonstrate that you care about them personally. In addition it provides an opportunity to learn about their interests, which can provide the basis for developing stronger links to your organization. Staff of corporate sponsors and foundations should not be excluded.

Donor Recognition

- Develop a donor recognition program with suitable options for individuals, corporations, businesses, granting foundations and organizations such as service clubs. Individuals generally prefer informal recognition and receiving confirmation that their gift has been put to work. Corporations, businesses, granting foundations and organizations usually appreciate formal recognition for their accomplishments.
- The donor recognition plan may include gift clubs or categories of donations with specific recognition for each level:
 - \$1,000,000+
 - \$500,000 - \$999,999
 - \$250,000 - \$499,999
 - \$100,000 - \$249,999
 - \$50,000 - \$99,999
 - \$25,000 - \$49,999
 - \$10,000 - \$24,999
 - \$5,000 - \$9,999
 - \$1,000 - \$4,999
 - \$1 - \$999
- Determine how donors would prefer to be recognized. Some donors wish to remain anonymous, while others enjoy being celebrated for their generosity. The best way to find out the most suitable recognition for a specific donor is to ask how they would like to be recognized by having them choose options from your donor recognition program.
- Some donors will tell you that they don't want you to waste money on sending them a thank you letter. You will need to find a way to thank these very loyal donors in an appropriate way.
- Acknowledge donors frequently. There is no need to wait for a newsletter or a special occasion to acknowledge the contribution that a donor has made to your organization. This should apply to any significant donor, but particularly to donors who make a contribution that is of unusual importance to your organization or donors that you know have a personal connection and special dedication to helping with your cause. This can include personal notes, telephone calls or just mentioning to them the importance of their gift when you meet them.
- Identify board members or other volunteers willing to call and thank a donor for their gift, particularly if the donation is unusual for that donor, i.e. \$500 donation instead of the usual \$100 annual gift. The volunteer doesn't need to know details of the gift. The purpose of the call is to just say thank you and not ask for more money. This contact will likely result in finding out more about why the donor supports your organization. Record this contact and any new information in your database to guide this relationship in the future.
- Combine your annual meeting with a donor recognition celebration. This could include having one or two donors share their story of why they support your organization.
- Feature donor's stories in your publications and on your website, always securing their permission first.
- Invite the donors to see their donations in use.
- Announce donors' names at meetings, particularly if their gifts made a project possible.
- Honour outstanding donors at a fundraising dinner, lunch or breakfast and have the food, beverages and location donated.
- Other ways of recognizing donors include framed certificates, pins, donor walls and listings in the organization's programs, web site and brochure. Small gifts of low monetary value can be used. They should be something that the donor will be likely to use and should prominently include the name of the organization so that they act as an endorsement when seen by others. A word of caution: some donors would prefer their money to be used to make a difference instead of paying for any type of giveaway.