



DIMENSIONS

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The Heart of Fund Development Lies Within Your Stewardship Program

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Reactionary vs. Effective Stewardship

How does your Fund Development Office define “stewardship”? How do your donors define it? Where does stewardship begin? Before, during or after a gift is made to your organization?

Depending upon your response, you may consider shifting gears from “reactionary” to “effective” stewardship...

The reactionary stewardship model defines stewardship as what an organization does to, with and for a donor after she/he has made a gift. Effective stewardship, on the other hand, views stewardship as to what an organization does to, with and for a donor before she/he has made her/his next gift. Effective stewardship is an investment in the next gift, with the goal of further engaging the donor to motivate (and even inspire) her/him to continue giving and increase her/his commitment.

Is your Fund Development Office ready to create a stewardship program to develop and strengthen lasting relationships with your donors? After all, stewardship is at the heart of all fund development efforts.

Stewardship, Defined

According to the Association of Fundraising Professionals (AFP), stewardship is defined as “a process whereby an organization seeks to be worthy of continued philanthropic support, including the acknowledgment of gifts, donor recognition, the honoring of donor intent, prudent investment of gifts, and the effective and efficient use of funds to further the mission of the organization.”

So ask yourself: What role does stewardship currently play in your fund development cycle and with your donors?

What is the Role of Stewardship in Philanthropic Fundraising?

Within the fund development process, a tremendous amount of time, energy and resources are expended on identifying, cultivating and soliciting donors. However, stewardship — the heart of philanthropy

— is where few concrete plans often exist and many development officers often fall short.

Your ultimate goal should be to build and maintain relationships with your donors throughout their entire giving relationship with your organization — which includes putting good stewardship tactics into practice.

According to Kay Sprinkel Grace in *Beyond Fundraising*, “No practice is more important in the development process than stewardship, the continued involvement, cultivation, and care of those who give.”

As development officers, stewardship is a sacred trust that we accept as we take responsibility for our donors’ contributions to the common good on behalf of our voluntary organizations. By reframing it in this way, we begin to understand that stewardship is being responsible for something valuable on behalf of an individual who has entrusted their resources to our care. As such, it entails a deeper burden of trust, responsibility and accountability by understanding, “What do our donors want?”

Which NEW IDEAS will enhance your fundraising efforts?

What Do Donors Want?

In her seminal work, *Donor Centered Fundraising*, researcher Penelope Burk offers a fundraising methodology that elevates the importance of stewardship. Burk reveals the three things donors report they want from the nonprofit organizations they support:

- prompt, personalized acknowledgment of their gifts,
- confirmation that their gifts have been put to work as intended,
- measurable results on their gifts at work prior to being asked for another contribution.

If donors receive these three pieces of information in a timely manner, Burk says, they will continue their support and increase their levels of giving.

Given this context as a backdrop, what are you doing on a day-to-day basis that is more important than thanking your donors and sharing information about how your organization is fulfilling its mission?

Are You Willing to Make Stewardship a Priority?

Stewardship, then, is more than a practice; it is an organizational priority and commitment to each donor that their contribution is worth more than money. When an individual gives, he or she is acting on their values. A gift is an investment and symbol of his or her belief in the mission, core values and vision of the organization.

Stewardship builds lasting relationships that promote loyalty and generosity. From a long-term perspective, few efforts reap as many benefits

as a well-designed and implemented stewardship program. What can we do to make each of our donors feel appreciated and informed?

Is Sending a Thank-You Letter Enough?

It is critical to remember that once a donor makes a gift to — and investment in — your organization, the relationship is just beginning.

The heightened awareness of this sacred trust prompts us to acknowledge gifts within 24 to 48 hours. When expressed authentically from the heart, gratitude is a powerful and engaging emotion that creates a bond between the donor and the nonprofit organization. This simple, yet profound, act of thanking donors for investing in our nonprofit is an essential first step in communicating with those individuals who have freely chosen to share in our philanthropic mission.

According to Hank Rosso, “Whenever we urge prospective donors to give from the heart, we are teaching the joy of giving and the true meaning of stewardship.” As professional fund raisers, one of our roles is to see ourselves as individuals that teach the joy of giving, who give witness to stewardship through the ministry of fundraising.

Yet the role of stewardship in philanthropic fundraising extends beyond acknowledging gifts, donor recognition, donor intent, prudent investment and careful accounting related to the fundraising process.

Stewardship’s Vital Link in the Fund Development Cycle

We have all heard the dreaded donor stories — how a donor was

identified, cultivated, solicited and then...NOTHING! In some cases, the donor gave a five, six or even seven figure gift — and nothing happened until the next solicitation. How does that make the donor feel? How does that make the organization look? When did stewardship become a missing link?

We must remember that stewardship is a vital link throughout the development process — and donors are becoming increasingly more experienced at giving. As donors act on their values by investing their gifts (and become more educated on how their funds are used), they not only have an array of philanthropic choices, they also experience first-hand how they are treated by each competing nonprofit.

To bridge the vital link between stewardship and cultivation, we must recognize the genuine and urgent needs that our nonprofit fills and then demonstrate how those needs are met through the generosity of our donors’ gifts. When we practice good stewardship, we demonstrate the value of the gift — the donor’s investment — in the lives of others. We achieve this by bringing our donors into an ever-closer relationship with our organization.

In recent years, the concept of stewardship has evolved to signify the essential function by which organizations develop lasting relationships with their donors. This places a responsibility and challenge for all nonprofits to demonstrate that they are good stewards of the public trust by developing transparent policies, programs and procedures.

Who is Responsible for Saying Thank You and Stewarding Your Donors?

We are often asked, “Who is responsible for saying thank you and stewarding our donors?” The short answer... everyone. By making stewardship a priority, a paradigm shift often occurs in how an organization’s budget and fund development personnel are deployed to ensure that donors are appreciated and informed about the impact of their gifts.

Certainly, a heartfelt expression of thanks is the first step in closing the stewardship gap, be it via phone, personal note or in person. Nevertheless, the key is to identify the right person to say thank you. Also, identify the right ways to thank volunteers and donors that reinforce the mission of the organization and align with the donor’s values.

As you set up (and expand) your stewardship program, keep in mind Rosso’s 6 RIGHT Considerations in the Gift Solicitation and apply them in your stewardship program:

Fundraising success is maximized when:

- The **RIGHT** person,
- Asks the **RIGHT** prospect,
- For the **RIGHT** amount of money,
- For the **RIGHT** cause,
- At the **RIGHT** time
- And in the **RIGHT** way.

We would add: with the **RIGHT** stewardship.

How Do You Determine What Is Appropriate Donor Acknowledgment and Recognition?

Grateful acknowledgement and recognition should be shared generously throughout the nonprofit with

Brainstorm Unique Stewardship Tactics

Brainstorming can be a key method for identifying unique stewardship tactics for your donors. You may consider creating an ad hoc brainstorming stewardship committee.

Thoughtfully consider who could help you brainstorm your stewardship tactics. Suggestions may include:

- leadership of your organization
- board members
- staff members
- Development Advisory Council
- members of a leadership gifts committee
- organization volunteers with broad community connections
- other members of your internal constituency.

Remember to select your brainstorming committee members carefully. Look for those who have shown a creative side and are full of ideas. Start with a preliminary list of stewardship ideas. (It is often hard to get a brainstorming session started with a blank slate). Then use the preliminary list to begin the process and ease the pressure of a blank page. You may also begin by reviewing the programs and services that your organization already does on a day-to-day and/or annual basis and then ask yourself, “*Is there an opportunity to layer on a stewardship initiative?*”

For example, if your organization hosts a holiday luncheon for your staff members, consider inviting your donors as well. Or, if your organization hosts a special day to coincide with your organization’s mission (i.e., St. Francis Animal Blessing, Founder/ess Day, St. Patrick’s Day, etc.), send a special note inviting your donors to join in the celebration. Even if donors cannot join you, they will remember that they were invited!

Consider sharing a few top donor names (if appropriate) to help generate some stewardship plans. Speaking about a specific individual may help to formulate some ideas for a larger group of donors.

those who freely choose to invest in the mission. To accomplish this, it is recommended that you begin by layering on and complementing your formal acknowledgement and recognition programs with additional personal expressions of gratitude.

You can accomplish this by demonstrating the difference your nonprofit is making in the lives of

individuals and in the communities that you serve through “mission” moments that share the impact of the gift.

In Summary

Keep this in mind: it is during the stewardship period when donors often make their most important decisions.

With an earnest commitment to donor stewardship, you can create a lasting relationship with your donors. Through professional fund raising, you can reach out to others with an open invitation to be better stewards by sharing the impact of your donors' gifts while effectively and efficiently leveraging your resources.

This mission-centered response to a need in the greater community demands a mission-centered response on behalf of the nonprofit organization to that donor. From a stewardship perspective, the impact of that gift on the fulfillment of the mission in the community must be highlighted. The overarching goal is to demonstrate how your donors' gifts make a difference in your communities by saving lives and changing lives.

By developing a firm commitment to stewardship, your Fund Development Office will accept, nurture and share a profound, deep sense of responsibility for the public good at the heart of philanthropy. In return, you will build lasting donor relationships, increase donor loyalty and retention and increase individual giving as you strengthen the mission of your organization.

Always remember to thank a donor every day. It is more than good stewardship; it is good for fundraiser morale! ■ NCDC

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12 Steps to Implement a Lasting Stewardship Program

1. Make a firm commitment to the philosophy and practice of stewardship.
2. Add a line item for stewardship activities to your fund development budget.
3. Analyze the donor database and establish giving recognition levels.
4. Identify and honor the donor's needs, hopes, desires and wishes.
5. Focus on intangible benefits that align with the donor's values for each giving level.
6. Directly tie stewardship outreach to mission.
7. Create a stewardship plan that includes and integrates the promotion of recognition levels in all donor outreach and communications.
8. Involve donors in the stewardship program with their first gift — the beginning of the donor relationship.
9. Coordinate stewardship with cultivation outreach.
10. Alternate donor messages — after you ask for a contribution, follow up with at least two contacts (or "moves") without an "ask."
11. Increase communication to establish and maintain donor relationships — remember that interest leads to involvement and investment.
12. Monitor and review the program by tracking the relationship between stewardship and recognition practices and renewal/upgrade of gifts, and recalibrate annually.