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The Anatomy of a Donor Relations System 

Introduction 

The office of donor relations sets a new standard in relationship building for advancement operations. Visionary, hopeful, and practical, the professionals in this area provide clear and specific guidance for individuals and their institutions. These professionals, as a new wave of influence, make meaningful change in our management beliefs and behaviors. They are most valuable in reshaping our thinking for the tasks of leading advancement into the future. 

The donor relations areas at our institutions are revolutionizing the way we do business. Redefining what ‘value added’ means in our organization, they are turning around the traditional thinking about who works for whom. A new organizational chart, for instance, replaces the old hierarchical pyramid with a fluid oblique circle, which revolves around the capable project management capabilities of the administrative assistant. (Figure 1) 

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<thead>
<tr>
<th>Publications Coordinator</th>
<th>Writer</th>
<th>Marketing/Communications Coordinator</th>
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<tr>
<td>Events Coordinator</td>
<td>Administrative Assistant</td>
<td>Stewardship Coordinator</td>
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<td>Program Coordinator</td>
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Realignment occurs when the next project comes on the timeline horizon and the stakeholders come together, often pulling from tangential areas, to form a cross-functional project team. Donor relations challenges all managers, leaders, and workers of our organization to change our fundamental approach and beliefs about how we do our jobs. And it provides a clear path of action for those who accept the challenge. They are pulling us with their heightened emphasis on relationship building into the organizational structure of the 21st century. Excitement and value on innovation make people want to be involved with the donor relations team. Their leader has redistributed power and privilege to the employees. In the donor relations area the entrepreneurial spirit promoted by our advancement colleagues is successfully being combined with a new way of thinking. What is amazing is the attractive lure this new approach equally has for the frontline worker as well as the open-minded leader. Donor relations is introducing a new age for relationship building, the core of the advancement enterprise. 

Components and Characteristics of a Prototype Donor Relations Program 

The heightened emphasis on relationship building and stewardship combines with employee empowerment and cross training in donor relations systems in order to create a dynamic, five-pointed star program. Some examples of activities in each of these areas of responsibility that logically come together and are increasingly associated with donor relations programs are as follows: 

Acknowledgments: receipts (IRS compliant) and thank you’s (highly personalized). 

Stewardship: service laden communication with our donors and friends; endowment performance reporting; tracking scholarship agreements, assignments and thank you’s; holding recognition events for recipients, mentors, and families with scholarship donors; linking to a prospect tracking system that talks about stewardship components (cultivation, follow-up after asks, next moves, population of data fields crucial to the successful execution of such a tracking program); database management for constituency codes (affiliations of our donors with various initiatives to raise funds, demonstrated interests in various funds); attendance codes at all events (visiting day for schools, colleges, and programs advisory committees, special events for donor giving level societies); donor recognition wall ceremonies and upkeep.
Events: opportunities to keep donors connected through recognition, education, and entertainment such as $1 million donor recognition receptions, high donor receptions, friends of the discretionary fund for the chief administrator events, gift planning donor recognition events, giving level events, invitations to attend cultural events on campus, governing board invitations and receptions, young leaders, junior leaders, and major gifts events, scholarship events, fellowship and endowed chair luncheons and receptions, ground breaking events, tailored events for other campuses; alumni relations joint activities.

Publications: communicating the messages about priorities and providing recognition in colleges, schools, programs, gift planning, alumni relations, and central advancement collateral materials; other institutional magazines; advertisements in various commercial journals and newspapers; radio and television public service advertisements promoting the institution’s multi-variant themes; and collaborative messages with other institutions promoting the value of diversity, education, and life-long learning.

Marketing and Communications Strategies: coordination throughout the institution about our values, priorities, and messages for philanthropic programs; creation of strategies for market research; product brand development; population of database fields with added value information about our donors and friends through various research mechanisms; and collaboration about themes and messages via electronic media, especially Web pages.

The Heart of the Matter – A Donor Relations Plan

Overview

Above all, the purpose of a donor relations operation is to enhance relationships between the institution and donors, encouraging lifetime support from individual and corporate and foundation donors. The purpose of the donor relations plan is to recognize and engage donors throughout their lives. Thoughtfully crafted, the system provides consistent baseline recognition and stewardship to individuals and corporate, foundations, and associations, and can be responsive to annually changing needs of the institution by creating tailored recognition for donors who support endowment, scholarship, capital projects, and unrestricted funds.

A donor relations plan provides a standardized recognition strategy for the advancement office to use with all donors. The system is flexible enough to match level and type of recognition to the donor’s age, gift level, and giving interests, as well as the donor’s preference for public recognition for their charitable gifts and inclusion in more exclusive groups.

The donor relations system, in conjunction with the institution’s many advancement strategies for the schools, colleges, and programs, supports cultivation, recognition, and stewardship to donors at all giving levels. A complete inventory of all acknowledgements distributed by each program on campus must be included in the overall picture of donor contact. Membership in giving societies for each school, college, and program must also be captured. Annual inventories concerning expenditures for these efforts by each unit is also part of the comprehensive record keeping required. Newsletters, magazines, and other donor publications made routinely available to donors must also be monitored. Events need to be tracked on a spreadsheet and assistance made available if resources are not adequate in the satellite programs. This assistance may be in the form of advice, guidance, or actual production such as invitation tracking. A comprehensive system raises the standard and educates the various participants about our values, mission and vision for donor relations at our institution.

Major Goals

The major goals of the donor relations plan are to provide and coordinate institution-wide donor recognition and stewardship. These goals are accomplished through events, publications, special projects, and other forms of recognition such as giving society memberships, athletic privileges because of giving levels, donor plaques, honorary walls, premiums, Web pages and other benefits of giving. More specifically, the goals are as follows:
-Provide standardized and baseline donor recognition and stewardship to all individual and corporate and foundation donors to the institution.
-Provide systematic, annual recognition in the form of publications and tailored events that demonstrate to donors how gifts are used.
-Take advantage of existing resources, such as lectures and arts events, to provide a venue for cost-effective recognition, donor-recipient matches, and donor access to campus leadership, when appropriate.
-Provide a way to maintain institution advancement contact with donors so the donor’s connection with the institution is not interrupted with staff turnover at the school, college, and programs or central advancement officer levels.
-Take advantage of special opportunities to focus on particular groups of donors and fund-raising priorities such as donors to endowments, student aid, chairs; young donor leadership; and specific cause-giving donors.
-Create consistent message strategies that are in concert with institution messages and communication strategies.
-Coordinate and integrate marketing strategies which encompass many, diverse operations within the institution.
-Provide a presence on the institution’s Web page(s) in order to advance the mission of donor relations.

Benefits

Recognition, in step with cultivation efforts, benefits the institution by encouraging participation in private voluntary support. A responsive, donor relations program ideally:

-Contributes to the positive experience that the donor feels from giving to the institution;
-Increases familiarity with the donor’s area of interest and the institution;
-Prepares donors and prospects to consider giving to institution priorities (endowments, undergraduate support, chairs, unrestricted funds);
-Provides stewardship by giving donors opportunities to meet recipients of their private support such as scholarships, fellowships, professorships, and chairs;
-Supports key development strategies as outlined by the leadership for advancement;
-Supplements cultivation and solicitation strategies undertaken by schools, colleges, and programs advancement officers with individual donors and corporations and foundations and associations;
-Inspires increased gifts over a lifetime;
-Honors donors who make bequests and other types of planned gifts.

Annual Recognition

Several giving societies recognize annual gifts above a certain level to any area of the institution. Some members will receive gifts such as personalized identification cards, and auto window decals. Reduced-rate coupons for parking and library borrowing privileges may be available. A packet of materials and a letter signed by advancement leadership will be developed and coordinated by donor relations. An annual event at the chief administrator’s home or an on-campus site is also organized.

Revocable or Irrevocable Gift Recognition

These groups recognize individuals who have made deferred gift commitments in the form of bequests, life insurance, or trusts. A packet of information and a recognition letter signed by the highest leadership is developed in concert with gift planning. Recognition activities, tailored for the age group of these donors, gift level, and giving interests, include an annual reception/luncheon with special presentations on campus, individualized outreach efforts, stewardship, and gift planning publications such as a family of topical brochures describing the many deferred giving vehicles. New members have a choice between several gift memorabilia.

Major Gift Recognition
The donor relations system supports ad hoc efforts to recognize, cultivate, and provide recognition and stewardship to major gift donors around particular topics or fund-raising priorities. The donor relations system pays strategic attention to major gift level donors to endowment, unrestricted funds, as well as ad hoc priorities that change from year to year. Donor relations helps these donors to increase their familiarity and deepen their loyalty as they follow their lifelong donor path.

Young donors are individuals whom the institution has identified as the next generation of leaders in the community. It is not necessary to be an alumnus or past donor to the institution to qualify for this recognition. Each year donor relations assists in planning an event, which provides the institution with an opportunity to establish contact with these individuals. In addition to recognizing the professional achievements of emerging leaders, the event serves as a springboard to more significant involvement in institution activities through contributions of time, expertise and money.

Additionally, junior donors include all donors whose lifetime giving is between certain giving totals. Donor relations assists in planning a special ad hoc event, which serves to acknowledge the generosity of junior donors and cultivate future gifts. Both the young leaders and junior donors programs are managed by the major gifts program.

**Highest Giving Society Recognition**

Individuals who have achieved a cumulative giving level of a certain cutoff within a designated amount of time, whose deferred gifts have a present value of this cutoff amount, or who make a confirmed pledge of this amount or more are invited into this highest giving society. A special gift is given in recognition of their support of the institution. We offer these donors the opportunity to accept or decline this gift, the value of which they must declare for tax purposes.

Donor relations is responsible for maintaining and publishing the definitive list of these donors (living, deceased, and anonymous), coordinating the notification of donors and advancement directors, producing the identification cards and gifts, and coordinating the appropriate recognition, including a personal note from the head administrator of the institution. An annual event is coordinated which allows donors to meet recipients of their gifts. Other donors of the highest giving level receive personal proclamations distributed by the governing body of the institution while the schools, colleges, and programs may hold tailored events to honor these donors.

**Strategic Stewardship**

Donor relations coordinates production and distribution of an annual consolidated endowment fund unit report and stewardship letter signed the advancement administrator. This strategic stewardship project is directed toward current endowment donors. Financial management provides a report on the earnings of the particular endowment with a detailed, growth summary. This report is included in the mailing.

**Publications and Marketing**

Donor relations coordinates the office of advancement recognition and stewardship publications. Some of these publications include an annual report to contributors, a family of brochures on gift planning, a themed annual fund advertisement in each publication of the alumni magazine, as well as other advancement publications including the schools, colleges, and programs publications, magazines and newsletters as needed. It is the goal of donor relations to find cost-effective ways to reach targeted audiences.

Donor relations coordinates marketing for advancement, including advertising in the alumni magazine, local business journals, and the alumni-targeted, annual giving newsletter. As a marketing device, the newsletter is designed to appeal to the interests and giving potential of a large audience and inspire them to make gifts. Articles may feature the achievements of students and faculty, recognize donors and volunteers, provide stewardship for gifts received, or inform donors about school and college programs.

**Events**
Donor relations plans and delivers regular and ad hoc events tailored for donors at all giving levels. Other designated groups include donors who give to an annual institution priority, corporate, foundation and association donors, the highest donors, the foundation board donors, and any governing body donors. Annual events include giving society recognition receptions, special luncheons, a series of invitations to cultural events, and tailored, ad hoc events. A unique event includes a ground-breaking ceremony for a new campus or building and a special recognition of recipients, mentors, families, and donors of a particular endowed scholarship fund.

Executing an event is an art and every detail must be committed to a timeline and carried out flawlessly. Coordinating teamwork during this process presents a particularly challenging opportunity. Seamless execution requires cross training of team members and the subsequent integration of their tasks. Project management is of utmost importance in this highly visible arena with our donors.

Other Forms of Recognition

The process for naming a room, building, facility, or physical object at the institution, and for placing a commemorative plaque, takes time and involves an extensive review process and many people. Naming provides recognition for a donor or other individual or organization, therefore, it must be undertaken with care and consultation. The institution may have a policy that favors naming buildings for individuals no longer living and may not encourage other namings and the placement of memorial plaques. As private giving to the institution increases, so may opportunities to recognize the generosity of donors through the naming of campus facilities and the placement of plaques. When naming is gift-related, the size and visibility of the space or object named should be consistent with the size and purpose of the gift.

There is usually a campus names committee responsible for reviewing all names proposed for campus buildings, rooms, facilities, or physical objects, and for making recommendations to the head administrator regarding naming. That administrator usually recommends to the governing board for approval. This review applies whether an entire building is to be named or any portion thereof (laboratory, meeting room, atrium). Naming of outdoor facilities, such as athletic fields, gardens, and vistas also requires review. The committee should be consulted about all gift-related namings before negotiations begin with a donor.

More and more common are donor walls and plaques to recognize individuals, corporations, foundations and associations whose cumulative gifts and pledges total a designated amount. Donor names are usually carved in some permanent fashion and can be viewed by all visitors, faculty, staff, and students entering the facility which houses the display. Donor relations is responsible for coordinating the nomination and approval process for these donors. Once donor relations obtains approval and the donor grants permission to be recognized, donor relations orders the inscription and contacts the advancement officer to schedule an appropriate date for installation.

Donor-related commemorative plaques take time and involve an extensive review process to place. Naming provides recognition for a donor; therefore, it must be undertaken with care and consultation. When placing a donor-related plaque, the size and visibility should be consistent with the size and purpose of the gift. Donor relations coordinates the approval process and the placement of donor-related plaques as requested by the schools, colleges, and programs advancement officers. The senior advancement officer is responsible for reviewing and approving the donor-related plaque projects. All such projects will eventually be submitted to the campus names committee for further review.

The review is to ensure that certain campus-wide standards for plaques—including appropriateness—are met. The review applies whether the project entails a single plaque related to the naming of a room or space, a donor wall, or other display permanently listing contributors to an institution program or any other type of permanent public recognition. Proclamations may also be presented and the advancement officer then chooses a suitable way to present the proclamation to the donor.

How the Donor Recognition Plan Works
The appropriate advancement officer should-in advance of the gift negotiation-submit to the chief advancement officer a plan for using a plaque or other form of recognition. This includes individual plaques, donor walls, and naming a room. The plan should answer the following questions:

- Why is a plaque (or plaque system) proposed for this type of gift? Is the plaque intended to be permanent?
- Who will be honored: How many people? What giving levels?
- What wording will be used?
- When will it be installed (include timeline) and announced to donors?
- Where is it to be installed?
- How will the plaque or plaque system be funded and, if necessary, maintained? Who is paying for it?

Additionally, steps for implementation need to be outlined. Included would be explaining the interaction between the advancement officer, senior advancement officer, facilities manager, campus names committee, and donor relations designated personnel.

Special forms of recognition include appropriate gifts for volunteers and major gift donors. Examples might be engraved pens, personalized jackets, framed institution photographs, calendars, special coffee table books, and various other forms of recognition. A special note about premiums: due to 1991 Internal Revenue Service requirements, amount for premiums received by donors are prescribed to be the lesser of $66 or 2% of the gift value.

Within the overall acknowledgment process, donor relations is responsible for: 1) thanking donors for gifts 2) acknowledging donors who qualify for recognition 3) composing and generating letters for gifts that qualify for a personalized letter from the chief administrator.

Gift processing and records management generates and sends receipts (with dollar amount, fund name, donor name and address) to every donor for every gift, with some exceptions. Several agencies in the institutions have their own 501(c)3 tax-deductible status and are considered separate entities. However, because the dollars they raise benefit entities of the institution, the money is considered charitable support and reported by the institution. Receipts are sent for deferred gifts to gift planning for handling and receipts for company and foundation support to the office of corporate and foundation relations.

In addition to receipts mailed by gift processing and records management, individuals may receive acknowledgment letters from donor relations, annual giving, and the various schools and colleges. Basic acknowledgment levels and types are carefully tracked by donor relations and coordinated institution-wide. A grid comprised of the following elements is kept up-to-date: level of giving, giving membership society name, solicited and administered by (departments, schools, colleges, programs), number of donors (by households), description of this group of donors, and the associated vehicle used for recognition of the individual. This grid is completed for annual donor recognition and cumulative donor recognition.

Conclusion

The Five-Pointed Star Donor Relations System

Annual recognition and cumulative donor recognition through stewardship efforts; events management; publications; and other forms of marketing and communications all work together to comprise the optimum donor relations program. Donor relations executes a comprehensive program with cross-trained employees working in project teams on assignments which include donor recognition events, publications, other forms of recognition, market research and product development. The marketing and communications strategies for advancement are created in concert with the institution’s integrated marketing plan and communications goals. To ensure a common message throughout advancement, appropriate advisory committees are appointed, convened, and facilitated by donor relations. Designing and implementing a donor relations system of this nature, is a stellar opportunity to bring under one umbrella the varied and extensive ways we communicate with our donors. Developing those life-long relationships, a successful philanthropy program is so dependent upon, donor relations becomes the very essence of an effective advancement plan.