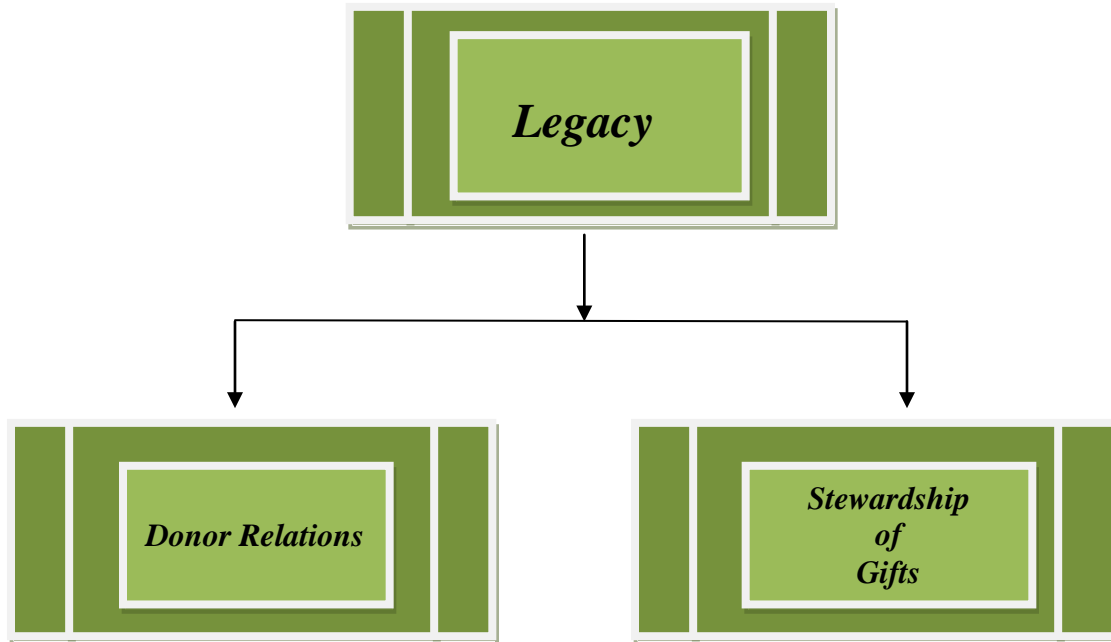


Sustaining Community Success –Creating Legacy



Legacy... *what someone or something is remembered for or what they have left behind that is remembered, revered or has impacted current events and the present day.*

Donor Relations... *a planned program to maintain donor interest and engagement, involving acknowledgement, information sharing and personal involvement with the organization.*

Stewardship... *management of another's property, finances, or other affairs and incorporates the values of accountability and transparency.*

Sustaining Community Success—Creating Legacy

Legacy

As fundraising roles become more complex, it is important for fundraising and nonprofit professionals to remember that it matters how they talk about what they do. It affects how donors, constituents and the public view organizations and the fundraising profession. And, it affects how they think about themselves, their roles, and their donors. *(Excerpts from Stewardship and donor relations by Eugene Tempel and Timothy Seiler.)*

Donor Relations

Donor relations are a key component of nonprofit fundraising initiatives. *Donor relations are a planned program of maintaining donor interest and engagement through acknowledgement, information sharing, and personal involvement with the organization.* An essential element of any donor relations program is **communicating good stewardship**, reporting back to donors, funders and the public that **we have cared for the resources entrusted to us and spent them wisely as they were intended. Without good stewardship, you cannot have good donor relations.**

There are other components to good donor relations. **An effective donor relations program is timely and appropriate.** Donors are thanked promptly for gifts, all gifts, regardless of size. Where recognition beyond the thank-you letter is called for, recognition should be appropriate to the size of the gift.

Effective donor relations programs need not be costly and extravagant. Rather, they should reflect the organization. That is, **donor relations items and/or events should be natural to the organization.**

Stewardship

"One who manages another's property, finances, or other affairs." Religious concepts of stewardship have to do with wise uses of resources, and sharing the resources entrusted to us. These concepts also include returning resources entrusted to us with increase, that any talents or treasures we have are returned to the greater good with amplification.

If you apply this concept to philanthropic giving, you think of gifts to nonprofits as achieving a benefit in society worth more than the gift originally given.

Stewardship is an essential element of a successful fundraising program. It is the philosophy and means by which an institution exercises **ethical accountability in the use of contributed**

resources, and the philosophy and means by which a donor exercises responsibility in the voluntary use of resources."

As organizations entrusted with the honor of working for the public good, nonprofits have a responsibility to use resources wisely and to hold themselves accountable to those who provide those resources, as well as to the public which has an interest in their work. This is especially important in light of the increasing call from donors, funders, and regulators for nonprofit accountability. Holding ourselves accountable is the foundation for enhancing trust in individual nonprofits and the sector.

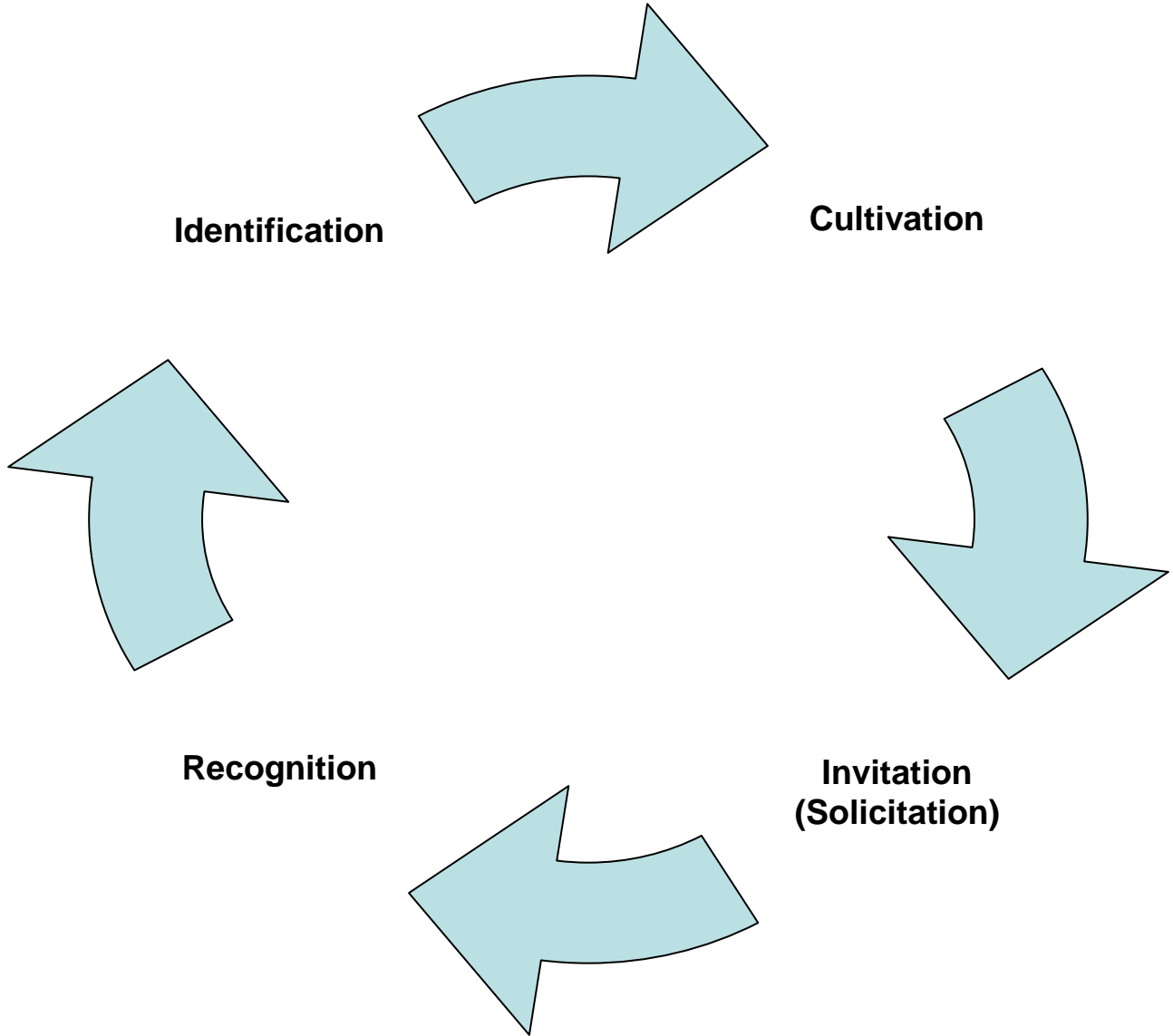
Responsible stewardship has many components and includes both tangible internal processes and intangible external factors. Internally, it takes two forms. One is **stewardship of gifts** that come in to be expended on an annual basis, which includes ensuring that the gift is used for the purpose for which it was solicited. Whether the gift is designated or undesignated, the organization's accounting system must be able to track it from the point the gift is made through its ultimate use.

The other form is **stewardship of gifts for permanent endowment, which must include having a sound plan and policies that ensure the health of the funds, and the ability to demonstrate that the gift is invested prudently to generate growth over time.** It must also be able to show that interest generated from the gift is used as intended.

Stewardship should be at the core of each nonprofit's activity." According to veteran fundraiser Daniel Conway: **"Stewardship is not simply a series of management functions.... Stewardship implies an even deeper burden of trust, responsibility and accountability. It speaks to the heart of what philanthropy is, and hence it is a profound expression of the shared responsibility that individuals and organizations have to contribute to the common good."** Ultimately, **we do good stewardship because it is the right thing to do.**

Sustaining Community Success – Fund Development

The Donor Process



Sustaining Community Success — Creating Legacy

Donor Bill of Rights

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

1. To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.
2. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
3. To have access to the organization's most recent financial statements.
4. To be assured their gifts will be used for the purposes for which they were given.
5. To receive appropriate acknowledgement and recognition.
6. To be assured that information about their donation is handled with respect and with confidentiality to the extent provided by law.
7. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
8. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- 9.. To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.
10. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers

Developed by: Association of Fundraising Professionals (AFP), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), Giving Institute: Leading Consultants to Non-Profits.

Donor Relations and Recognition... *a planned program of maintaining donor interest and engagement, involving acknowledgement, information sharing and personal involvement with the organization.*

Donor Relations and Recognition

- Start with the first gift and engage the donor from the beginning.
- Alternate messages to your donors – do not always ask for money. For every ask - have two non-asks.
- Take a donor to lunch, send them a personal thank you, host a donor focused event, and buy your donors a small gift.
- Donor Recognition practices should be in-line with your budget, image of agency and amount of the gift.
- Use current donors to convey messages to donors – nothing speaks more than hearing from a satisfied donor!
- Tie your recognition program to your mission.
- Focus on intangible rather than tangible benefits – make donors investors.
- Maintain recognition with long-term and major donors even if they decrease or stop giving.
- Keep all donors part of your data base unless they ask otherwise.
- Establish relationships between donors and program staff.

Donor Relations and Recognition... *a planned program of maintaining donor interest and engagement, involving acknowledgement, information sharing and personal involvement with the organization.*

Donor Relations and Recognition

What donors say they want.

- Prompt personalized acknowledgement of their gift(s).
 - 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.
- (Donor Centered Fundraising, Penelope Burk)*

If donors receive these three things, they will continue their support and increase their levels of giving.

Providing donors information about their gifts at work can take a number of forms:

- Formal stewardship report
- Letter/email from CEO
- Memo from staff member of volunteer working in the field
- Site visit
- Personal update (by phone or in person) from CEO or coalition/board member
- Organizational publications such as an annual report, newsletters, etc

How to accomplish acknowledgement, confirmation and sharing results:

1. Develop a system to get out personalized thank you's (written, email, phone call) in set time.
2. Determine gift levels and appropriate thank you.

Gift Level and Thank You and Recognition

List gift amounts that you would like your Community Fund to receive and identify how you would thank and recognize this donor.

Gift Amount	Thank You	Recognition

Sustaining Community Success –Creating Legacy

Donor Relations Action Plan

Category	Date	Name	Proposal	Current Annual Report	Personal Contact	Personal Visit	Newsletter FALL/SPRING		Direct Mail	Event Invitation	Tour of Site	Other	Comments
CORPORATE/BUSINESS		Corporation XYZ		X							X		
		Corporation ABC											
		Others											
FOUNDATIONS/AGENCIES		Foundation 1	X	X	X	X						X	Wants to attend spring event
		Foundation 2											
INDIVIDUALS		Jon and Judy Smith											
		Sam and Sarah Jones				X							Call on again in the Fall

Plan to do X Completed

Sustaining Community Success –Creating Legacy

Stewardship... *management of another's property, finances, or other affairs and incorporates the values of accountability and transparency.*

Stewardship Indicators:

Consistent

The organization's reputation is on the line with EVERY gift received.

Appropriate

Use donors preferred means of communication.

Transparency

Respond every time to each gift and how it will be used.

Meaningful

Demonstrate the gift's impact.

Timing is critical.

The tax receipt letter should not be your only "thank you".

Sincerity

Let your passion and genuine appreciation show!

Don't tie the "thank you" to a new solicitation.

The human voice reigns!

Our duty is stewardship and our reward is loyalty and increased engagement in every way.

Sustaining Community Success — Creating Legacy

Stewardship... *the management of another's property, finances, or other affairs and incorporates the values of accountability and transparency.*

The 4 R's of Stewardship

Reciprocity – Give donors/staff/board thanks and recognition

Responsible Use – Do what you promised when you asked them to give, volunteer or serve.

Reporting – Be transparent on financial and program issues. Let them know what has happened as a result of their gift, time or service.

Relationship – Give donors/staff/board an opportunity to be involved in the results they have made possible. Treat them as partners – not bankers.



Sustaining Community Success – Creating Legacy

Projects and Grant Making

Why do you fund a project or give grant?

What types of projects or grants do you give?

What impact are you hoping to achieve?

What impact have you seen through these projects or grants?

What works?

What has not worked?



Fund Advisory Committee Grant Round Process

Being able to grant funds to your community is one of the most rewarding activities fund advisory committee members have the opportunity of doing. The Northwest Minnesota Foundation has pulled together some best practices to guide you through the process.

➤ **Step One**

Decide your priority areas for grant making. Are your priority areas based on the Destiny and the Drivers the Community Stewards identified?

➤ **Step Two**

Notify community nonprofits and public organizations that grants are being offered. This can be done through a request for proposal (RFP, also called a proposal for funding). Drafts of RFPs are available for you to review and some are included in this packet. These can be modified to fit your needs related to the amount of grant dollars being awarded, the grant priorities, the location for picking up and dropping off the applications and the deadline for submission.

➤ **Step Three**

Once applications have been received, the committee reads the applications and determines who should receive funding. Sometimes it is helpful for members to read the applications and rank them before they meet as a group. The group discussion finalizes the grant recommendation the committee will make to the NMF Board. Sample ranking sheets are included in this packet. These may easily be modified to reflect your community's priorities – or you may choose to not use these and design your own.

➤ **Step Four**

Grant recommendations are sent to Peggy Crandall, NMF Grant Service Associate. Please send her a signed copy of the grant disbursement form (included in this packet) and the original copy of the grant applications to be funded. NMF is required to keep these applications on file.

➤ **Step Five**

Send a letter to the awardees announcing their award and any request for a final report. Some communities have found it helpful to see how the grant has impacted the community when looking at future proposals from the same nonprofit/public entity. Sample copies of that letter and a final report has been made available for you to review and is included in this packet.

For non-awarded grants, we have also included a draft of a letter your committee may choose to send to applicants who were not awarded grants. These letters are also sent out by the Fund Advisory Committee.

➤ **Step Six**

Send an announcement to local media about the grant awards. It is important for local donors to know that their contributions are being well used by the community, and with the intent that was communicated.

NMF will: Send a letter to the nonprofit/public entity announcing their grant award and include the check. In most cases, this is done within a week or two. If the amount awarded is over \$10,000, approval must be given by the NMF board of directors, which can delay disbursement up to a month. A sample letter of award is included in this packet.

If you have any questions about the process, please contact your NMF facilitator, or Peggy Crandall at 800-659-7859.

Creating Legacy Plan 2011-2013

Goal	Strategies	Resources	Responsibility	Timeline
Exemplify stewardship of gifts				
Recognize gifts of donors				
Build on the mission of the community fund through grants made to qualifying organizations.				

Sustaining Community Success: Stewardship, Training and Technical Assistance

