

BALTIMORE 2017

**Comprehensive Donor Relations:
Moving Beyond Acknowledgements
and Stewardship, Tools to Drive Major
and Planned Gifts**

**KATE MCDONNELL AND
GORDON SMITH**



NATIONAL ASSOCIATION of
Charitable Gift Planners

Comprehensive Donor Relations: Moving Beyond Acknowledgements and Stewardship; Tools to Drive Major and Planned Gifts

Kate S. McDonnell & Gordon Smith
National Jewish Health

The paper that follows highlights best practices of donor relations programs at ten top healthcare institutions across the country, and outlines tools to help drive major and planned gifts. Research on donor relations programs is presented in four categories: acknowledgements; stewardship and impact reporting; recognition; and engagement.

Analysis of donor relations programs at ten healthcare institutions around the country revealed no clear correlations. The numbers of dedicated donor relations staff at the institutions interviewed range from zero to twenty-eight, and of organizations that annually raise \$30 million to \$390 million. While most organizations would agree that donor relations is critically important, how each institution chooses to staff this area greatly varies. Some dedicate an entire department to all elements of donor relations, while others charge the major and planned gift fundraisers to manage donor relations with supporters. Like so many aspects of fundraising, defining, establishing, and staffing donor relations is an aspect of development that is very much in flux and means something different for each institution.

INTRODUCTION

Donor relations is arguably the cornerstone of all major gift fundraising. Most sizable non-profit organizations have a donor relations program in which one or more staff members are devoted to working with front-line fundraisers to help them strategize and provide revenue-producing tools to allow them to focus on getting out the door and in front of donors.

Data from *The PULSE of Donor Relations Survey* shows that formalized donor relations programs at non-profit organizations have existed for 1-2 years at 24% of organizations, and 15 or more years at 17% of organizations, with a majority of the donor relations operations being centralized.¹ Major gift officers in development shops without formalized donor relations programs, as in the case at National Jewish Health, are left to create their own donor relations strategies, which may be neither streamlined or coordinated as a result, leading to difficulty retaining donors as supporters, keeping donors engaged, and utilizing resources most effectively. According to Lynne Wester, donor relations expert and author of *The 4 Pillars of Donor Relations*, it is seven times more expensive to obtain a new donor than to keep an existing one, making it even more important to invest in donor relations.²

In addition, while donor relations team members across all ten institutions surveyed partner with both major and planned giving teams, the services they provide to planned gift donors and the gift planning team is more limited when compared to major gifts services. With the exception of two of the ten institutions, the planned giving team handles their own stewardship and engagement touches with their respective planned gift donors. Legacy societies are generally handled by the planned giving team.

This begs the questions: what does a successful donor relations program look like, and how can such a program transform the development department and impact major and planned gift fundraising?

To answer these questions, a series of twenty-three interviews were conducted with individuals who oversee donor relation programs or aspects of donor relations at ten leading healthcare institutions across the country. While the research is focused on healthcare institutions, the following study can be applied more broadly to other non-profit organizations. In addition to these conversations, online resources and books on the topic were consulted.

¹ *The PULSE of Donor Relations Survey Results and Observations*, 2015 Donor Relations Guru at 7-8.

² Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 11.

Donor Relations: National Jewish Health

This investigative journey in looking at donor relations best practices is rooted in our recognition that National Jewish Health (NJH), the organization at which both of us work, would benefit from a more formal, comprehensive donor relations program—one created with the major and gift planning donor in mind. While the institution has some donor relations systems in place, they are more reactionary with a focus on stewardship, and are geared toward annual giving rather than major or planned gifts. Thus, NJH major gift officers often implement their own stewardship and recognition strategies, which can lead to a lack of cohesiveness among the fundraising team and in how we cultivate and steward the institutions most important prospects and donors.

The goal of this best practice donor relations research is to identify the components of a comprehensive donor relations program that will inform NJH and other non-profit institutions across the country how to build a pipeline for major and planned gift fundraising, and strengthen donor relationships. A comprehensive donor relations program would allow for cross-departmental teams to plan ahead and work together to be more productive, drive fundraising, move donors and prospects up the pipeline, and increase revenue for the institution. When implemented, an institution-wide stewardship and recognition plan would also align the major, planned, and campaign gifts teams more closely.

Defining Donor Relations

In recent years, the field of donor relations has evolved, and so too has the definition and scope of duties for individuals in the field. According to the Association of Donor Relations Professionals, donor relations is “the comprehensive effort of any nonprofit that seeks philanthropic support to ensure that donors experience high-quality interactions with the organization that foster long-term engagement and investment.”³ It is a commonly held belief that donor relations is synonymous with stewardship, but author and donor relations expert Lynne Wester asserts that there is a clear distinction: stewardship is a reaction to a gift the donor gives, and is “one or two dimensional, flat and static;” whereas donor relations is the act of proactively nurturing and developing a long-term relationship, and is dynamic, “sensory, round, three dimensional . . . robust” and goes beyond just acknowledgements and stewardship reports.⁴ In her opinion, “[a] donor *requires* stewardship but *desires* donor relations.”⁵

³ *Donor Relations and Stewardship Defined*, Association of Donor Relations Professionals (ADRP); <http://www.adrp.net/assets/documents/adrpdefinitionexpanded.pdf>.

⁴ Wester, Lynne, *The Difference between Stewardship and Donor Relations*, August 21, 2014, <https://www.linkedin.com/pulse/20140821105438-22480710-the-difference-between-stewardship-and-donor-relations>.

⁵ *Id.*

Research Methodology

Research on the topic of donor relations was conducted as part of this study. To identify best practices, twenty-three conversations were conducted with individuals responsible for implementing donor relations programs or aspects of donor relations at ten different nonprofit hospitals across the country. Articles, online resources, and books on the topic were also consulted, which are cited throughout the paper.

Institutions Surveyed

Institution	State of Institution	Number of Interviews Conducted
Stanford Medical Center	California	1
Children's Hospital Colorado	Colorado	3
National Jewish Health	Colorado	4
Johns Hopkins Hospital	Maryland	5
Massachusetts General	Massachusetts	1
Dana-Farber Cancer Institute	Massachusetts	1
Memorial Sloan Kettering	New York	1
Texas Children's Hospital	Texas	2
MD Anderson	Texas	1
Seattle Children's Hospital	Washington	4
Total		23

General Interview Question Topics and Areas of Conversation

Categories	Topics of Interview Discussion
General	Size of development shop and money raised annually Size of donor relations team and structure Number of years with formal donor relations program Partnering with major and planned gift fundraisers
Acknowledgements	Role of donor relations in acknowledgments and receipting Acknowledgments for different gift levels
Stewardship	Stewardship and endowment reports part of donor relations Type of impact or financial reports generated Creative stewardship for individual or group of donors
Recognition	Variety of permanent or physical recognition at institution Giving societies as part of donor relations Naming opportunities policies and guidelines
Engagement	Main "touch points" to connect with institution mission Unique ways donor impact is communicated and expressed

Results

The structure of donor relations programs at organizations varies depending on the size and nature of the institution, and resources available. But, what remains a constant among *established* programs are the four main categories of donor relations, which feed retention and revenue: acknowledgements; stewardship and impact reporting; recognition; and engagement.⁶

BEST PRACTICES FROM LEADING NON-PROFITS AND HEALTHCARE INSTITUTIONS

To retain current donors, maintain existing supporter relationships, and cultivate new contributors, donor relations is imperative. The key to successful fundraising is a well-executed, strategic, forward-thinking, and proactive donor relations plan. Techniques and tools from leading healthcare institutions across the country provide insight into what a comprehensive donor relations plan looks like.

Gift Acceptance, Policies, Procedures, and Management

Before an institution can accept a donation, gift acceptance policies and procedures need to be in place. These documents will lay the groundwork and structure for how the department is run, and ultimately how an institution manages their donor relationships.

I. Acknowledgments

The simple act of thanking a donor for their gift is the basis of effective donor relations. It is the first step an organization can take towards retaining a supporter and building a long-term relationship. A structured system and policy to provide supporters with timely and meaningful acknowledgements is imperative to a successful development shop. A clearly defined acknowledgement process and policy that results in prompt acknowledgements is key to communicating to investors that the institution has good business practices and values its supporters. The Association of Donor Relations Professionals asserts that, “[a]cknowledgment processes should include provisions for acknowledgment timing, signatories, customization, and standards for acknowledging honorific and memorial gifts ... they should also encompass acknowledgment calls for gifts of certain levels.”⁷

⁶ Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 11.

⁷ Best Practices: Acknowledgements, Association for Donor Relations Professionals, <http://www.adrp.net/assets/adrp%20best%20practices%20-%20gift%20acknowledgment.pdf>.

Staff & Acknowledgement Gift Levels

Writers, communications staff, gift processing staff, operations, and donor relations team members all contribute to the acknowledgment process at various institutions.

Acknowledgements are handled by various staff members depending on the level of the gift.

At most of the institutions surveyed, contributions of \$5,000 or above are acknowledged by the donor relations team, whereas contributions of \$5,000 and below are generally handled by a donor services or a gift processing team member. Memorial Sloan Kettering's donor relations and donor services teams, for example, are set up by gift level, and while donor relations handles acknowledgements from \$5,000 to \$1 million and above (including gifts of stock and planned gifts), donor services handles acknowledgements of \$5,000 and below, and outsource their thank you notes for those gifts at \$1,000 or below. MD Anderson's donor relations team, on the other hand, has a higher threshold, and handles all thank you letters for gifts of \$50,000 or above in-house.

For high-level gifts of \$1 million or more, it is common practice for donor relations team members or development writers to write personalized thank you letters. Thank you letters for VIPs, trustees, and board members are handled with special attention and care by the donor relations team as well, and are typically signed by the CEO or President. At Seattle Children's Hospital, the donor relations team writes highly personalized acknowledgement letters for gift of \$1 million and above; however, at Texas Children's Hospital, the writers on the communications team handle all acknowledgements, and any gift or pledge of \$25,000-\$99,000 is signed by Senior Vice President, and all gifts of \$100,000 and above are personally signed by the CEO of the hospital.

Additionally, institutions across the country prioritize acknowledgements, and generally hire at least one staff member to carry out the task of writing personalized thank you letters to supporters. For instance, Johns Hopkins directs three of their eleven donor relations staff to handle acknowledgements, and all four of Memorial Sloan Kettering's donor relations team members work on acknowledgements. Dana-Farber Cancer Institute employs three people on the stewardship team to focus on high-level acknowledgements; donors who make a \$25,000 or more gift to the institute receive a personalized letter from the Senior Vice President, which is drafted by the stewardship team, and all gifts of \$100,000 and above receive an additional thank you from the President, which is drafted by the stewardship team with a writer dedicated for the President. At non-profit institutions nationwide, roughly 75% of donor relations staff members are responsible for acknowledgements as part of their duties, according to the 2015 *PULSE of Donor Relations Survey*.⁸

⁸ *The PULSE of Donor Relations Survey Results and Observations*, 2015 Donor Relations Guru at 13.

Content

To keep donors engaged and educated about an institution's mission, it is important to refresh the acknowledgement letter text frequently. While Children's Hospital Colorado recently moved acknowledgements from a donor relations function to something that Foundation Communications handles, thank you letter templates are updated every three months. General acknowledgement templates at Memorial Sloan Kettering are changed every two years with letters for major events, and funds that get custom wording are revised annually. Interestingly, the 2015 *PULSE of Donor Relations Survey* showed that, of the institutions that participated, 59% update their acknowledgement template yearly, while 33% do so quarterly, and only 8% of institutions update letters on a monthly basis.⁹

Engaging Physicians

Donor relations and development team members are not the only staff involved in acknowledgements. At both Seattle Children's Hospital and MD Anderson, physicians write personal thank you notes to donors who have made a general or restricted contribution. At Seattle Children's Hospital and MD Anderson, all gifts of \$50,000 or more receive a thank you letter from a physician. The donor relations team at Seattle Children's provides cards and coaches the physicians on content (*e.g.*, not to include the date or the amount of the gift). MD Anderson is more regimented: most of the fundraising dollars are restricted to faculty members, and the funds are not released to faculty until thank you notes to the donors are written. This is also a great tool for major gift officers, such that if the donor is assigned to a front line fundraiser, then the fundraiser can take the physician on a donor visit as an additional engagement strategy.

Gift Receipts vs. Acknowledgements

A gift receipt and an acknowledgement letter have two different purposes: while a gift receipt is transactional and serves as a tax receipt in accordance to IRS regulations, an acknowledgement provides an opportunity to thank donors in meaningful ways, and share how their gift impacts the organizations mission. Acknowledgements are a special way to say thank you, and according to the Association of Donor Relations Professionals, should not include any tax language, such as that no goods and services were received in return for a donation. The Association of Donor Relations Professionals also recommends that the acknowledgement be separate from the gift receipt, and if both are included in one mailing, then the receipt tax

⁹ *Id.* at 22.

language should be placed in the footer of the document or on a separate page so as to not distract from the gift acknowledgement.¹⁰

Memorial Sloan Kettering combines their acknowledgement and tax receipt for all gifts of \$5,000 and above, and it is up to the gift officer to send a personal gift thank you. At Seattle Children's Hospital, gifts of \$9,500 and below receive a combined template receipt and acknowledgment with a laser signature of the CEO. While combining the gift receipt and acknowledgement remains a common practice at many institutions, of those who participated in the 2015 *PULSE of Donor Relations Survey*, 63% shared that their acknowledgements are mailed separately from the gift receipt.¹¹

II. Stewardship and Impact Reporting

Stewardship comes in many forms, and in general, communicates to donors the impact of their philanthropic giving. There are two main categories of stewardship: financial stewardship and impact or narrative stewardship.¹² It is up to the donor relations staff to ensure that the raised funds are used according to the donors wishes and that the institution is transparent in how they report the money was used. In her writings, Lynne Wester suggests that financial transparency leads to repeat gifts and loyal donors.¹³ Custom or creative stewardship, reserved for an institution's most elite donors, is also a necessary aspect of a donor relations plan to engage and retain top donors. Johns Hopkins enforces a Mandatory and Voluntary Stewardship Policy for cumulative gifts ranging from \$100,000 to \$7 million and above (including both major and planned gifts); specific stewardship touches are required for gifts at five different gift levels (see appendix, figure 1).

Gift Agreements

Maureen Donnelly, Senior Director of Development Donor Relations at Massachusetts General, considers gift agreements the first communication in a cycle of ongoing stewardship touches. The gift agreements at Massachusetts General use general language, including the gift amount, the purpose of the contribution and timeframe for payments, and personal language on the connection the donor has with the institution.¹⁴ Gift agreements hold both the institution and the donor accountable, and communicate to the donor that the non-profit places importance on ensuring they are good stewards of their contribution. While all gifts of \$100,000 need a gift

¹⁰ Best Practices: Gift Acknowledgement, ADRP.net;
<http://www.adrp.net/assets/adrp%20best%20practices%20-%20gift%20acknowledgment.pdf>.

¹¹ *The PULSE of Donor Relations Survey Results and Observations*, 2015 Donor Relations Guru at 20.

¹² Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 26.

¹³ *Id.* at 27.

¹⁴ Kate McDonnell Interview with Maureen Donnelly on December 10, 2016.

agreement at Stanford Medical Center and are signed by the Vice President of Development at Stanford University, gifts of \$25,000 and above is the gift threshold at Texas Children's Hospital for gift agreements. Additionally, the donor relations team at Dana-Farber Cancer Institute writes the gift agreements for all gifts of \$1 million and above.

Financial Stewardship

Financial stewardship is typically a collaborative effort between development writers and finance team members to ensure accurate information is being disseminated. Financial stewardship includes the financial reporting out on a fund or program. It is standard practice for institutions to report out on their endowed funds annually. A donor to an endowed fund should expect the organization to send a report that includes an accounting of the principal balance, the amount of generated interest, how much money was spent, and how funds were used. Endowed Fund reports at Seattle Children's Hospital, for instance, include a brief report about the impact of endowments with a financial report and incorporates a donor or patient story. In contrast, at Seattle Children's Hospital, if a donor stops funding an endowment, the donor receives a general narrative report on the strength of the endowment without the financial details. All endowment donors at Seattle Children's Hospital receive some version of an endowment report, which is distributed in the summer. However, Children's Hospital Colorado sends out endowment reports to donors at the \$50,000 and above level, and Massachusetts General sends endowment reports to donors at the \$100,000 gift level, both on an annual basis.

Narrative Stewardship

Narrative stewardship includes reports, videos, and other communications that share the story of how donors' philanthropy impacts an institution. Seattle Children's Hospital's system for narrative reporting provides a good example of the various ways an institution can share the impact of gifts at many levels. In addition to the endowment report they produce, they also create an impact report, a broad-based impact report with general highlights from the year and no customized content for the donor, a program report, which features broad, annual achievements and highlights a donor's program area, and a high-end report, which is fully customized featuring photos, content and a patient story.

Best practices for sending out custom narrative reports are varied among institutions based on gift level and individual donors. Custom reports are generally sent to donors starting at \$50,000, and vary in length from one to seventy-five pages, depending on the donor.¹⁵ Donors who give \$50,000 receive a philanthropic impact report from MD Anderson, Children's Hospital Colorado, Dana-Farber Cancer Institute (who send out 150 different reports annually), and

¹⁵ MD Anderson's philanthropic impact reports are 1-2 pages, and Massachusetts General's custom reports are 5-75 pages, depending on the donor.

Seattle Children's Hospital (which sent out 60 unique reports in 2015), while at Stanford Medical Center and Massachusetts General, \$100,000 is the minimum gift to receive a custom report. At Seattle Children's Hospital, their fully customized high-end report is reserved for those who have given \$1 million or more cumulatively and are being solicited in the next 12-18 months or donors who gave \$500,000 or more cumulatively in the last three years.

Research shows that narrative reports are used strategically, and are generally reserved for high-level major gift donors. While Children's Hospital Colorado recently implemented a report for each service line, most institutions do not produce one report for hundreds of people.

Creative or Individual Stewardship

Creative stewardship is important for engaging top-level donors or an institutions' most valued supporters. Donor relations staff are responsible for developing internal tools to support major gift officers, and donor relations team members at healthcare institutions use a variety of ways to engage principal gift and leadership donors.

The following are examples of creative stewardship at leading healthcare institutions:

- Developing individualized stewardship or engagement plans is practiced by Seattle Children's Hospital and Stanford Medical Center. At Seattle Children's Hospital, senior leadership, major gift officers, and donor relations team members review their list of top 25 institution-wide donors and both strategize and track, in a stewardship and communications plan, various ways to further engage the donors with their philanthropy in a stewardship and communications plan. These stewardship plans are a comprehensive way to effectively and strategically engage lead donors. Similarly, donor relations staff members who focus on stewardship at Stanford Medical Center meet quarterly with major gift officers to review their portfolios and develop detailed stewardship plans for each major gift officer's top five donors. *Best Practices in Donor Relations*, published by the Association for Donor Relations Professionals, asserts that individualized stewardship plans, together with giving societies or donor recognition programs, make the best use of an institutions resources by "stewarding across the board but giving special attention where it is beneficial to the donor and the institution."¹⁶¹⁷

¹⁶ Best Practices in Donor Recognition, Association of Donor Relations Professionals, http://www.adrp.net/assets/documents/bestpractices/adrp_best_practices-donor_recognition.pdf.

¹⁷ Individual stewardship plans include: important donor information, a summary of giving, special interests, birthday, and opportunities for the prospect manager to create a customized donor experience such as a meeting with the Dean; dinner at donor's home; invitations to events; an e-mail or a note from faculty member on holidays or birthdays, for example.

- Photo books or history books for board members, gala chairs, and high-level donors, such as at Children’s Hospital Colorado, where the donor relations team created a photo book template on Shutterfly, so that it would be accessible to major gift officers.
- Children’s Hospital Colorado also created a newspaper for a donor, and interviewed hospital leadership as to how the donor has impacted the hospital. It included a President’s Corner opinion piece and was individualized for the specific donor. Stanford Medical Center created and designed a rock n’ roll themed birthday card, signed by the CEO, for a high-level donor who loved music.
- For the “Live the Mission” event at Johns Hopkins, the donor relations team partners with individual medical specialty departments to provide select donors or prospects an opportunity to experience what it is like to be a provider. Donors are invited to shadow providers and witness surgeries, giving donors an opportunity to experience five different specialties. Participants spend time with clinical staff, participate in rounds, or sit in on morning reports. The event is highly selective and accommodates around fifteen people in one day, and includes lunch and debrief with faculty, chair of department, and 1-2 clinical staff and development staff.
- Dana-Farber Cancer Institute implements Round Tables set up in the format of speed dating where junior faculty researchers join a table of ten supporters and have the opportunity to talk about their research, and when staff ring a bell the researcher moves to the next table—the event is designed for the \$100,000 and above donor but can be organized for any level of supporter.
- Short videos that are shot professionally or even with just a phone camera that feature senior leadership or staff thanking donors for their support. For example, to thank a couple who donated for many years and supported six different faculty members at Stanford Medical Center, the donor relations team video recorded each professor reflecting on their memories of the donors and their impact. The videos were compiled on a DVD, and upon the occasion of the wife’s passing, the Dean personally delivered the gift to the husband. This stewardship touch resulted in another multi-million dollar gift.

Staff for Stewardship

Author and donor relations expert Lynne Wester recommends that for “every 1,000 funds, a full time employee be delegated to manage the workload (if there are 3,500 funds, three full time staff are needed to manage the financial and narrative reports).”¹⁸ In a successful program, stewardship efforts are coordinated, and donor relations staff members come together to help engage donors. For example, for all \$1 million gifts and above at the Dana-Farber

¹⁸ Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 30.

Cancer Institute, the stewardship team writes the gift agreement, the narrative writers produce a progress report, and the recognition team handles the signage package.

III. Donor Recognition

Donor recognition is diverse and comprised of many different categories. Research on the topic reveals that institutions have shifted away from “tchotchkes, printed lists of donors, generously sized brass plaques, multi layered giving societies, and static donor walls,” and are adopting more creative ways for recognizing supporters.¹⁹ With any recognition an institution provides, it is important that donor relations staff ensure that reciprocation is equitable to a donor’s generosity. An institution ensures consistent and equitable recognition by devising a donor recognition matrix, which provides a list of an institution’s giving programs and their corresponding donor recognition activities.

There are four widely recognized categories of donor recognition:²⁰

- (1) Naming opportunities: donor walls and named space signage;
- (2) Permanent or physical recognition;
- (3) Recognition societies: giving societies and honor rolls; and,
- (4) Public recognition: donor profiles in publications such as newsletters, magazines and annual reports, and external publicity such as press releases, are also very public forms of recognition.

Naming Opportunities

Naming policies and guidelines put structure as to how donors are recognized at healthcare institutions.²¹ Named spaces and opportunities need to be reviewed regularly, and it is common practice for a master list of naming opportunities not only to be implemented but updated frequently for use by prospect managers.

Management of named spaces is a large undertaking for development staff members. While all naming opportunities are managed in a CRM database at Children’s Hospital Colorado, Texas Children’s Hospital uses LegacyCurator™, a recognition archiving and planning system. LegacyCurator™ helps Texas Children’s Hospital manage signage and recognition in eighty clinics and ten buildings. LegacyCurator™ sent two staff to Texas Children’s Hospital who, over the course of five days, walked every building, floor, and room, and took pictures of each recognition item and documented it with a description, and then documented all new naming opportunities. The information was uploaded into their database, which conveniently

¹⁹ Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 43.

²⁰ *Id.*

²¹ Examples of naming policies and procedures can be found at adrp.net.

communicates with Raiser's Edge. Floor plans for new buildings were also included. Pictures of each existing plaque and locations for new naming opportunities are continually updated and easily accessible. All major gift officers can access the information from the road on their phones or tablets. This system of documenting and maintaining recognition is a great tool for development shops with a great need for systematizing recognition but with little staff time.²²

Permanent and Physical Recognition

Clear guidelines for how institutions recognize donors in physical spaces are necessary and depend on the nature and size of the gift. For each giving level there are different sign types and sizes. Having a clear process allows gift officers to adequately communicate available options to donors. A donor-centric approach to physical recognition means having a flexible system and donor wall to accommodate changes in donors' personal lives. In addition, donor walls that require annual updates are not only expensive, but are a significant administrative burden. Instead, institutions are adopting electric displays and interactive touch screens to share information about donors and their philanthropy.²³

Recognition Societies

Donor recognition programs exist either purely for recognition and recognize donors and their level of giving through printed and electronic donor listings, or integrate stewardship and fundraising elements, honor supporters at various levels (leadership giving for example), and acknowledge individuals' behaviors, such as 25 years giving or consecutive giving.²⁴ Benefits, such as event invitations or access to senior leadership, are often given to donors as part of these engagement societies, but organizations need to be careful with tax related quid-pro-quo issues.²⁵

Key recognition societies, in the eyes of donor relations expert Lynne Wester, include:

- Leadership Annual Giving Society—recognizes donors that meet a certain giving threshold annually;
- Consecutive Donor Society—recognizes donors who give consistently or consecutively to organizations;

²² Texas Children's Hospital is in the process of converting to Blackbaud CRM and there will be some abilities to manage recognition opportunities in this new database.

²³ Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 45; *Best Practices in Donor Recognition*, ADRP.net: http://www.adrp.net/assets/documents/bestpractices/adrp_best_practices-donor_recognition.pdf

²⁴ *Best Practices in Donor Recognition*, ADRP.net, http://www.adrp.net/assets/documents/bestpractices/adrp_best_practices-donor_recognition.pdf.

²⁵ <https://www.irs.gov/Charities-&-Non-Profits/Charitable-Organizations/Charitable-Contributions-Quid-Pro-Quo-Contributions>.

- Cumulative or Lifetime Society—recognizes donors who reach a certain threshold of giving or milestone over their lifetime;²⁶ and,
- Planned Giving Society—recognizing supporters who remember organizations in their estate plans.

Donor relations teams across the country primarily focus on major or principle gift recognition societies, if they have the societies at all. Stanford Medical Center does not have giving societies, and Massachusetts General Hospital’s donor relations team only recently started the process of creating a top donor, principal gift society at the \$5 million level. Memorial Sloan Kettering has giving societies but they are not managed by donor relations; their planned giving team oversees the planned giving society, annual giving manages the annual support society, and The Society of Memorial Sloan Kettering is a volunteer-led organization and support group comprised of New York socialites who keep the hospital’s work relevant within their networks. Of the ten healthcare institutions that were surveyed about giving societies that donor relations manage, four shared they oversee cumulative or annual recognition societies at the \$1 million and above level.

At all of the institutions interviewed, various “benefits” or engagement opportunities are offered. The Dana-Farber Cancer Research Institute, for instance, invites all \$1 million and above donors to a two-day symposium to hear from the President, and also receive a lab coat with their name embroidered on its lapel as well as recognition on the institution's benefactor wall.

All ten healthcare institutions have planned gift societies that comprise individuals who have included the various organizations in their estate plans. However, planned gift societies are more often than not handled by the planned giving team, the exception being Dana-Farber Cancer Institute and Stanford Medical Center. Donor relations plays a role with the engagement of planned gift donors by providing support with events, unique gifts, specialized society welcome letters, and partnering with legacy gift officers for impact reports.

Donor Lists

Donors at all levels are recognized either in an annual report or donor list. Institutions are moving away from hard-copy annual reports, acknowledging supporters online instead. Massachusetts General, for example, has a dedicated donor recognition website

²⁶ Lynne Wester, during the Donor Relations Webinar, shared her way of calculating the minimum level for lifetime giving: take the cost to establish an endowment or named fund at the organization, and multiply it by 10 (if it costs \$25,000 to establish an endowment fund, then the minimum lifetime giving society should start at \$250,000).

(<https://giving.massgeneral.org/donor-recognition/>) on which all annual donors of \$1,000 and above as well as annual fund donors, marathon runners, planned giving donors, and community fundraising donors are recognized. The institution does not produce a printed annual report. The electronic format of this donor list allows the donor relations team to make frequent updates and share patient stories in real time.

Events

Research shows that donor relations staff are increasingly leaving the events to the events team at their institutions. If donor relations staff manage any event(s), they are primarily stewardship events or for high level donors at \$1 million and above. Massachusetts General Hospital only oversees events for every named endowed chair at \$2 million, endowed scholar at \$1 million, and an annual gratitude event for cumulative donors of \$5 million and above. At MD Anderson, the donor relations team only puts on one event annually—the “Anderson Assembly”—comprised of \$1 million and above donors (including cumulative or one-time gift givers), and they also host a dinner at which supporters are each given a glass statue. At Seattle Children’s Hospital, the donor relations team formerly managed stewardship events, but now the events team oversees non-fundraising events; and at Texas Children’s Hospital, the only events donor relations handle are small unveiling of recognition opportunities and plaques. An exception is Dana-Farber Cancer Institute, which has a team of seven people responsible for 75 plus recognition, stewardship or cultivation events annually; and Johns Hopkins creates 30-50 stewardship events annually, while Children’s Hospital Colorado oversees 25-30 stewardship and cultivation events every year.

Events for planned giving donors are handled mostly by the gift planning team. At Seattle Children’s Hospital the planned giving team manages all stewardship touches for their legacy society members and they even have a part-time event and marketing staff member dedicated to engaging planned gift supporters.

IV. Engagement

Through donor engagement tools, major gift officers and donor relations staff can personalize a donor’s experience with the institution, ultimately leading to stronger donor relationships and increased retention. Customizing how development staff engage donors further connects supporters with their philanthropy. Donor relations expert Lynne Wester asserts that access, information, and experiences are what most donors need to feel fully engaged.²⁷

- Access: insider access to senior staff, exclusive information, such as receiving newsletters from the CEO, VIP parking;

²⁷ Wester, Lynne, *The 4 Pillars of Donor Relations*, Academic Impressions at 54.

- Information: receiving information before the public and treatment as an institution insider; and,
- Experiences: unique opportunities such as hard hat tours of a new building on campus, ribbon-cutting ceremony, shadowing a physician for the day, personal video.

Donor Relations Staff

In addition to the four main categories of donor relations outlined above, to accomplish and implement a successful donor relations program, skilled staff are needed. Among the organizations interviewed, the number of staff members ranged from zero at National Jewish Health, to twenty-eight full time donor relations employees at the Dana-Farber Cancer Institute.

Budget

Donor relations budgets vary depending on the size and structure of each development shop, and include everything from staffing and postage to events and design fees. Among the ten healthcare institutions donor relations budgets remained relatively low, ranging from \$0 to \$300,000 dedicated exclusively to donor relations, and include items that touch everybody on the development team, donor relations supplies, and costs that are not attached to a specific gift or business unit.

Gift Planning

It was surprising to learn how donor relations is handled by most of the surveyed organizations around planned gift donors. Regardless of the size of the organization or structure of the donor relations team, few of the ten organizations interviewed provide services to planned gift donors. All ten institutions rely almost entirely on the planned giving team to provide most, if not all, aspects of donor relations to planned gift donors regardless of the size and type of gift. Why wouldn't a donor that has included the organization in their will for \$1 million be treated similarly to one who has contributed a \$1 million cash gift or pledge? Is this another example of the common and unfortunate team silos created by so many organizations? Our opinion is that donor relations for planned gift donors should be, in the least, well-coordinated with the donor relations team if not largely performed by skilled donor relations staff.

CONCLUSION

Donor relations looks different at every institution. What is consistent at most of the institutions reviewed in this study is, however, that at least one dedicated staff member is employed to oversee and implement strategies for retaining existing supporters and cultivating new donors. Donor relations staff duties are defined by the internal structure of the fundraising team, and these staff serve as valuable partners to front line fundraisers for strategic donor engagement.

Donor relations policies and procedures that clearly outline topics ranging from gift acceptance to donor recognition are of great importance to any successful fundraising effort. Without structured internal systems, the external efforts are less effective. Once institutions implement these systems, acknowledgments and impact reporting lay the groundwork for a successful donor relations program. Donor recognition and individualized engagement are additional elements that are necessary to maintain and retain an institution's valued supporters.

A Special Thanks

We would like to thank our fundraising and donor relations colleagues who participated in our research and helped us with this project. We are grateful to Sara Becker, Kelly Brennan, Stacey Cook, Maureen D. Donnelly, Rebecca DuFault, Jayne Dumolt, Maria Gelormini, Maxine Given, Robin Ingram, Keri Kallaway, Mary McLaughlin, Trish Telesco Morgan, Bridget Richards, Shannon Shamosh, Julie Taylor, Alice Thavis, Sarah Seredych Trimmer, Megan Ward, and Steve Winesett. These colleagues provided tremendous insight on donor relations best practices at leading healthcare institutions across the country.

APPENDIX

Figure 1: Johns Hopkins Medicine Donor Relations Mandatory and Voluntary Stewardship Policy, FY18

Active Donors *Indicates Action will be Prepopulated	
L1	*Annual update
\$100K-\$499,999	*Annual visit
	Additional stewardship actions at PRM's discretion
L2	*Annual update
\$500K-\$999,999	*Annual visit
	Additional stewardship actions at PRM's discretion
L3	*Annual update
\$1M-\$2.9M	*Annual visit
	Additional stewardship actions at PRM's discretion
L4	*Annual update
\$3M-\$6.9M	*Annual visit
	*Annual strategy meeting
	Additional stewardship actions at PRM's discretion
L5	*Annual update
\$7M+	*Annual visit
	*Annual strategy meeting
	Additional stewardship actions at PRM's discretion

Dormant/Permanent Donors *Indicates Action will be Prepopulated	
All L1 – L5 Donors	*Annual update
	Additional stewardship actions, including visits at DRM's discretion

PRM = primary relationship manager