CREATE *a Jewish Legacy*

CARE OF DONORS: CULTIVATION, RECOGNITION, AND STEWARDSHIP

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Kathryn W. Miree is President of Kathryn W. Miree & Associates, Inc., a consulting firm that works with boards and staff of nonprofits and foundations to develop administrative policies, structure, and planned giving programs. She received her undergraduate degree from Emory University and her law degree from The University of Alabama School of Law. She spent 15 years in various positions in the Trust Division of a large regional bank before joining Sterne, Agee & Leach, Inc. to charter and serve as President & CEO of its trust company. She established Kathryn W. Miree & Associates, Inc. in 1997.

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Ms. Miree is a frequent lecturer, co-author of *The Family Foundation Handbook* with Jerry J. McCoy (CCH Publishers 2001) and author of *The Professional Advisor's Guide to Planned Giving* (CCH Publishers, 2001). She serves on the Editorial Advisory Boards of *Planned Giving Today* and *Planned Giving Design Center*. Her clients include a variety of nonprofits and foundations across the country.

CARE OF DONORS: Cultivation, Recognition, and Stewardship

CARE OF DONORS: CULTIVATION, RECOGNITION, AND STEWARDSHIP

Care and stewardship of donors is critical to success of your Create a Jewish Legacy Program for three reasons:

1. Most Create a Jewish Legacy gifts are revocable, deferred gifts such as bequests. This means the donor can undo the gift as quickly as it is created and may do so unless he or she remains engaged with your organization and its work.

2. Stewardship allows you to protect your investment in the donor. You spend both time and money bringing the door to the table; why not protect that investment by retaining the donor rather than having to make a new investment to acquire another donor.

3. It is the right thing to do. Without donors, your work would not be possible. Gratitude and interest is always appropriate.

Care of donors is an activity that can be easily overlooked, but is critically important in building a lasting relationship with donors. Those who live in the United States have a culture of giving - 89% of all families give to charity each year. The government encourages charities to meet needs that in other countries would be met by tax revenues, and provides donors a myriad of tax incentives to encourage donors to give.

Donors have many choices in allocating those charitable dollars. In the most recent IRS Data Book, the IRS reported there were 1,045,979 §501(c)(3) organizations in the U.S., a figure that does not include thousands of churches. Your organization is literally one in a million.

One of the biggest mistakes many charities make in the gift development process is to focus only on getting the gift – with little attention on the donor. This may sound puzzling because acquiring a gift necessarily requires contact with the donor. However, many organizations talk to the donor ONLY when the organization needs money and when questioned about this practice assert the budget does not allow time for "non-productive calls".

The goal of this session is to shift that balance. The strongest development programs focus primarily on the donor and donor goals before, during, and after the gift commitment. If cultivation, recognition, and stewardship are done well, you will have a far more engaged donor and will maximize not only the amount, but the impact of, that donor's gift.

I. Overview

It is important to begin with a definition of the key terms, and a general overview of the importance of care of your donors.

A. Defining Cultivation, Recognition, and Stewardship

1. *Cultivation* – Cultivation, in its most familiar sense, refers to the process of preparing the ground for crops. In development, cultivation refers to the process beginning at engagement, moves to discovery and education, and ultimately to the gift. Cultivation continues after the initial gift to move the donor further down the path, whether that is as a multi-year donor, a donor moving from an entry level to higher (perhaps major) gift, to a deferred gift.

2. *Recognition* – Recognition is the process of privately and publicly acknowledging the donor's gift in a way that honors them for their gift.

3. *Stewardship* – Stewardship is defined as . For development purposes, stewardship refers to the ongoing care of donors and the funds contributed to your organization. Stewardship implies a relationship with the donor that requires intentional care, a plan, and effort.

B. One Process

Taken as whole, cultivation, recognition, and stewardship are part of the same process involving an acknowledgement of the donor's contribution to your organization. The donor has more than one million choices in charities. They must feel their gift to you – whatever size and form – had an important impact on the community you serve.

These donors will be most engaged if they feel they are partners with you, sharing in your mission. Treat them as partners and investors and you will take on a new perspective of the donor.

C. Value the Donor

One of the signals that donors are not valued is lack of annual reporting on donor retention, donor stewardship, and repeat donors. Do you:

1. Focus on donor retention with a goal of retaining as close to 100% of your donors as possible?
2. Acknowledge a donor's years of giving in your annual acknowledgement letter.
3. Ask questions about why donors do not repeat gifts?
4. Measure the number of donors who have given for 5+ years, 7+ years, 10+ years and more?
5. Recognize multi-year donors in the annual report, through special events, in newsletters?
6. Do you set goals for stewardship (non-solicitation) calls on donors?
7. Do you have stewardship policies and standards?

If not, this may signal you have not devoted sufficient resources or time to cultivation and stewardship. If you do, you are far more likely to make those ongoing contacts with donors that indicate you value their ongoing contribution to your organization.

In endowment giving, multi-year donors are most likely to make a Legacy commitment. Therefore, this commitment to cultivation and stewardship is critical to your success.

II. Cultivation of Donors

Cultivation of donors generally refers to preparing a potential donor to give, or a current donor to take the next step.

A. Getting to Know Donors

You may think you know your donors and why they give. You do not unless you've had that conversation. If you do not ask this question, you may you jump to inappropriate conclusions about their motivation, and you will miss a wonderful opportunity to hear their story.

1. Why Do Donors Give?

Giving is an important element of the U. S. culture. The latest study by Independent Sector shows 89% of all households give to charity annually, and 44% of all adults volunteer annually. Every year more people in this country give to charity than vote, own a car, or own a home.

Yet, motivation for those gifts is as individual as the donor. Donors give for a variety of reasons. The most common motivations – which range from purely altruistic to less than altruistic – include:

1) A commitment to the vital role the nonprofit organization serves in the community
2) An appreciation of the organization because of a service provided
3) An understanding of the nonprofit's contribution to quality of life
4) The nonprofit's role in research or development
5) Personal gratitude for economic success
6) An interest in facilitating change in the community through the nonprofit organization
7) An interest in establishing a memorial for the family or an individual
8) An interest in recognition
9) A desire to influence or control the nonprofit's activities
10) Guilt
11) Tax incentives

2. Why Does a Specific Donor Give to You?

There is generally a story behind a gift. Uncovering that story is one of the key elements in building the donor relationship. Most solicitation calls involve an update on the charity's work (success, progress, accomplishments), the case for current/future support and the request for current/future support. Instead of talking, ask the following questions and listen:

a. How long have you been a donor to our organization? (If you have spotty records, it is always better to ask – few organizations have records that look back more than 10 years.)
b. When did you make your first gift to our charity?
c. Why did you make your first gift to our charity?
d. What one aspect of our work is most compelling to you?

B. Engaging Donors in Your Work

Invite donors to come to your facility and participate in a project. Invite them to help you lead tours. Invite them to teach education classes, tutor refugees, or work in your food pantry. Donors are far more engaged in giving if they are volunteering because they have a closer relationship with your organization, take ownership for outcomes, and can witness first hand the impact of your programs. As you launch the Create a Jewish Legacy campaign, think of ways to re-engage donors, especially those individuals who may no longer participate.

C. Challenging Donors to Take Ownership

Don't make it easy. Challenge donors to take responsibility for mission and outcomes. Extend the conversation you started above by challenging the door to think about their role in your future in these ways:

a. What do you feel are our greatest challenges as you look out over the next five to ten years?

b. How can you help us address those challenges?

Once you know why a donor invests in your organization and what his or her greatest concerns are for your future you are in a great position to keep them informed/engaged on that topic and to challenge them to partner with you to address those challenges.

D. Ongoing Contact

People drift away from people and from institutions. Any ongoing relationship requires work. Donors are no different. You may find it easy to engage a donor when your organization provides a service they need, whether that is Day School, a workout location, or community. When that donor no longer needs that service (their child moves on to another school) you may lose their attention unless you have engaged them at a deeper level.

Try these simple contact mechanisms:

1. Make 5 to 10 calls every Monday morning to connect. Use this as a thank-you call, "I thought you'd like to know" call, or "how was your trip" call. You may even use it to follow up with the child no longer in day school to say: "We were talking about Rachel today and how much we miss her here – how is she doing in _____ School?"

2. Send a note or article with a program update.

3. Remind the donor of an upcoming event and send him/her a personal note expressing hope they will attend.

4. Hand deliver an annual report.

5. Hand deliver a loaf of bread, a wreath, or small gift during the Holidays.

III. Donor Recognition

Donor recognition may take a variety of forms. Recognition is important for several reasons:

1. It acknowledges the value of the donor's gift.
2. It is a public "thank you"
3. It inspires others to contribute.

A. What Should be Recognized?

There are four primary circumstances in which a donor is recognized: membership, annual giving, campaign, and deferred gifts/Legacy. Each is a distinct and separate transaction and should not be blurred in order to add breadth to the donor relationship and send the message donors should participate at all levels.

1. Membership

Membership is essentially a fee for service. This may or may not constitute an event in your organization that requires recognition. The key is not to treat a membership as a philanthropic gift. If you would like to recognize new members and renewals as a way to encourage your community to be a part of your organization, printing those names is a powerful way to do so.

2. Annual Philanthropic Giving

An annual philanthropic gift is one that is given for charitable purposes only. The donor is not contributing to have a vote, secure a gymnasium membership, or get a magazine. They are giving to support the charitable work of your organization. Recognize these donors annually in your annual report. This reporting is usually segregated by the dollar value of the gift amount. If your organization accepts non-cash gifts in your annual giving program – which you should – you will need valuation/recognition policies to establish the value of the gift. I recommend you use the donor's date of gift value for the gift. For example:

EXAMPLE:

A donor contributes 100 shares of Bank of America
Date of gift value (average of high and low trade on date of receipt) = $50/share - $5,000
Date of gift on sale (3 days later) = $5,200 - $300 commission = $4,900.
The value for acknowledgement and recognition purposes is the donor's gift value of $5,000.

Gifts of real estate, closely held businesses, or even tangible personal property may have a longer lag between receipt and sale, and a greater variance between date of gift and date of sale values.

3. Capital Campaign

A capital campaign generally has distinct goals over and above the annual operating needs of your organization. You are asking donors to reach deeper to make the campaign commitment. You should acknowledge their gift I a special recognition section of your annual report/donor report/web report. You may also recognize them cumulatively at the gift levels they achieve during campaign, but always provide special acknowledgement of this extra donor effort. Again, your campaign will need to have clear counting and recognition policies if you accept (and you will) non-cash gifts. These rules are particularly important for campaigns involving both current and deferred gifts, and revocable and irrevocable gifts (where apples are very different from oranges) and should be established in advance of gift receipts.

4. Deferred Gift/Legacy

Deferred gifts – such as bequest commitments (or bequest substitutes), retirement plan beneficiary designations, insurance beneficiary designations, retained life interests in a home or farm, etc. – are recognized during life (and often afterwards) because it is more appropriate to recognize the commitment while the donor is alive. It also allows a charity to express thanks during the donor’s life when they can appreciate the thanks and recognition. Recognition is complicated by the fact that deferred gifts may be irrevocable (such as bequests or beneficiary designations) or irrevocable (such as charitable gift annuities and most charitable remainder trusts). Further, a bequest commitment by a 75 year old has more value than a bequest commitment from a 40 year old. The challenge is to recognize all these gifts in an appropriate manner.

B. Methods of Recognition

1. Annual Gifts

Annual gifts are generally recognized in a number of ways as set out below. Annual gifts are generally recognized in the year of gift only, although some charities award lifetime recognition once donors have reached a specific number of years of giving, or a combined dollar amount of giving. (This “lifetime” recognition has one negative aspect: donors who receive current, ongoing recognition for past gifts may not feel the need to make additional gifts.) For example:

- Named giving levels
- Annual report
- Special donor report
- Newspaper recognition (some hospitals employ this method)
- Website
- Event recognizing donors

Special factors may affect recognition.

- Religious organizations may choose not to make distinctions in giving levels in recognition of the fact that its members have varied resources.

- Some donors may prefer to remain anonymous and are generally recognized as "anonymous" on the donor report. Respect the donor's wish to remain anonymous, but always share with them the power their gift may have to inspire others to make gifts. Often, over time, these donors agree to make their gift public as they build trust and confidence in the way you recognize donors.

2. Deferred Gifts

Deferred gifts are generally recognized in a way to distinguish those gifts from annual gifts so that donors are encouraged to make both types of gifts. Mixing recognition for deferred gifts with outright gifts confuses donors and encourages them to think the two are equivalent. All recognition should focus on keeping the "both/and" message as clear as possible.

- Legacy Society
- Annual report
- Special donor report
- Website
- Event recognizing donors

C. How Much Recognition is Too Much?

Is it possible to recognize a donor too often? Probably not. Simply be sensitive to the organization's use of financial resources in achieving this recognition. Here are some ways to add more emphasis to the recognition process:

- Recognize multi-year donors by adding a symbol of some type to the annual report listing to indicate the donor is a 5+, 10+ or higher level donor.

- Create a separate listing for multi-year donors once they reach the 10-year mark (recognize donors both in the multi-year section and the annual gift section).

- Add a symbol to the donor's name indicating they are also a deferred gift donor (Legacy Society member) as well as recognizing them in the section for Legacy Society members.

- Recognize the donor's years of giving in the annual letter requesting another gift (or in the thank you for the gift).

- Send the donor an invitation to make a deferred gift through their estate and become a member of the Legacy Society once the donor has reached the five-year giving mark.

- Acknowledge the prior year’s gift amount and years of giving when you contact the donor to make a request for the current year’s gift. This shows appreciation and knowledge.

IV. Stewardship

Charities must embrace stewardship as part of their culture if stewardship is to become part of the work ethos of development, finance, programs, and other areas. Involve all staff as you development program and make it clear that every contact with every donor is important.

A. Donors as Investors

Think of donors as investors in your organization and your mission. (Their dollars and volunteer hours represent those investments.) Treat them as investors in the way you manage funds, report, and communicate with them. Remember, donors have 1,045,979 other choices (in addition to many religious organizations). Staying connected with donors to convey the urgency of the need, and the impact of the donor's donation, will prioritize your charity on that list.

B. Fiduciary Duties

Fiduciary duties refer to the board's responsibility to manage, invest, and deploy charitable funds using the highest duty of care.

1. Using Funds Wisely

Using funds wisely requires that a charity have a clear mission and plan for realizing that mission. Indications that a charity is managing funds well include:

- A current strategic plan that guides the organization in its big decisions and expected outcomes.
- Clear annual service goals. Who do you serve? How do you prioritize that client base? How many will you serve? What outcomes do you expect?
- Annual reporting on how well you achieve those goals.
- Regular attention to the charity's budget with focus on how you track projected income and expense.
- A commitment to taking action if the budget or program plan is not on course.

2. Providing Effective Oversight

Effective oversight takes place at two levels: senior staff and board. The board, as the group charged with oversight, has the chief responsibility for oversight. Evidence of an effectively operating oversight structure includes:

- Clear policies and procedures governing finances, data management, investments, endowment, and distribution of funds. These policies should be reviewed by the board annually and updated; procedures to implement those policies should be reviewed by staff annually and updated.

- An active, engaged board. This means board members attend meetings, participate in meetings, are familiar with the organization's history and programs, and provide effective oversight of the chief executive.

- An annual review of the chief executive involving board members with experience – past, present, and future – with this process. The board chair should meet regularly with the chief executive to remain informed.

- An audit committee with independent members that work with external auditors to ensure funds are expended appropriately and in accordance with accounting practices, IRS regulations, and organizational policies and procedures.

- Board reports of program goals/delivery, fundraising goals/delivery, investment returns, etc.

3. Accountability

Cries for nonprofit accountability have never been greater. Scandals in the nonprofit sector have made headlines in the Washington Post, the Wall Street Journal and many more beginning with the William Aramony/United Way news, the New Era Foundation, and more recently, The Nature Conservancy insider dealing and non-cash gift valuation issues. These ongoing issues prompted a series of Congressional hearings, legislative reforms, and dramatic proposed regulations and legislation affecting donors and the nonprofit sector. Every charity should operate with that fear of having its activities or failure to pay attention featured on the front page of the local paper.

Good accountability derives from fiduciary execution of duties and board engagement. On a higher level, accountability refers to the commitment by the board and staff to maintain the highest levels of accountability to donors and to the public. Sometimes, financial officers feel that accountability belongs to the accounting/finance area and is not the concern of donors. Any organization ought to be prepared to open its books to donors and to easily explain how financial decisions are made and dollars deployed.

4. Transparency

Transparency refers to making the activities of the charity as clear as possible. It has application on many levels, ranging from goals, strategies, and policies to activities such as making decisions about allocation of endowed funds. If you look at donors as investors, then those investors should understand how you operate.

5. Reporting

Reporting is the primary tool used to communicate strategy, exhibit accountability, and achieve transparency. Reporting occurs in the annual report, special donor reports, on the charity's website, and of course, in board meetings. If the charity encounters a serious problem – especially of misfeasance or malfeasance – the problem should be identified, addressed, and solved. Address the issues with the public and communicate that you have put systems/personnel in place to ensure it doesn't recur.

C. Personal

Communicate with the donor/investor on as personal a level as possible. That means:

- *Knowing the donor and the donor's family.* Take the time to get to know the donor by talking with them about their history with, and interest in your organization. (See questions listed earlier.) Not only must you have the conversation, but the results of that conversation should be recorded on the charity's data base. Engage the family. Start early to build a multi-generational relationship that fuels and sustains the family's interest.

- *Help the donor understand his/her role in achieving the charity's mission.* The donor should feel he or she makes a material difference regardless of the size of the gift. Impress the donor with the fact they make it possible for you to keep the doors open and achieve your mission.

- *Ongoing reporting.* Stay in touch with the donor to report goals and progress to goals. The impact of the gift is one of the key factors in a gift. In a recent survey of affluent donors conducted by Bank of America, gift impact was cited as one of the top factors in increasing the size of a gift.

- *Ongoing relationships.* This of each gift as one of a series, rather than a transaction. If you treat the relationship as ongoing, it is far more likely the donor will share that feeling.

- *Perpetual.* When a donor makes a legacy/endowment gift, stewardship continues after the donor's death. In accepting the gift, the charity makes a commitment to honor the donor's wishes in perpetuity. Look at this as an opportunity to keep the family involved, but also as a legal mandate to comply with donor directives.

V. How to Ensure Success in Care and Stewardship of Donors

A. Embrace Stewardship as an Institution

As stated earlier, the entire organization must be committed to stewardship. This will require:

- A clear understanding of the role each staff and board member plays in stewardship;
- Ongoing training for staff and board to make them more effective in their stewardship roles;
- Systems in place to track stewardship;
- Annual goals related to stewardship (and tracking those goals);
- Standards for gift acknowledgement, accuracy of donor data, and confidentiality of donor data; and
- Prioritization of stewardship IT projects.

B. Create a Stewardship Plan

Adopt a formal stewardship plan such as the sample shown in Appendix A. You can approach this in a variety of ways. In the sample provided, the stewardship plan focuses on the treatment of donors by gift level, provided standards for both print/electronic communication and personal contact. You'll need a separate stewardship category

C. Monitor Progress with Reports

Boards and staffs prioritize what they report on, and report on what they prioritize. If you are serious about integrating stewardship into the charity's culture, monitor both progress in meeting stewardship goals, and results of those efforts. Here are some of the results you should expect:

- *Higher donor retention rates*. This means you should measure donor retention by segments, and that you should see higher retention rates for those donors with the greatest amount of stewardship contact. Segments may include any of those mentioned previously based on dollar amount or years of giving. You may even have a category for years of membership and giving which should correlate highly.

- *Higher numbers of 5+, 7+, and 10+ year donors*. These figures should be analyzed annually and should show growth over time.

- More consistency and greater increases in annual giving dollar amounts from donors who Create a Jewish Legacy.

D. Analyze Results

Analyzing your results will not only reinforce the value of your stewardship efforts but allow you to tailor your program to best fits the needs of your donors. If, for example, donors who Create a Jewish Legacy show downturns in annual giving (consistency or amount), examine your messaging. What have you asked them to do? Have you given them permission to stop giving when they Create a Jewish Legacy, or have you emphasized how critical it is to keep that annual contribution coming? Sometimes, in an effort to encourage one type of gift charities discourage other types of gifts. These are donors who are invested in your mission, programs and future – be clear about your expectations for support as you thank them for that support. Do not hesitate to periodically survey donors about their level of satisfaction with your contact/reporting and to make changes as a result. Or, if you would like to gather information on a more personal level, use a focus group of key donors to improve input (and, count as a stewardship contact)!

E. Use Volunteers

Volunteers can play valuable roles in stewardship by doing everything from thanking a donor on a call, to writing a thank you note (in addition to the charity's thank you note) for a deferred gift, to hosting a "thank you" reception for donors. Use of volunteers in this way is always a positive experience for the volunteer, helps the charity's development staff spread the load, and teaches valuable lessons about stewardship principles.

F. Use Staff

As suggested earlier, ask non-development staff to join major/planned gift officers in stewardship. Every CEO, CFO, and Program Officer can make five calls on a Monday morning as long as they are supplied with the five names, a snippet of information about the donor (and what to thank him/her for), and a "thank you" script. Making non-solicitation calls simply to say "thank you" provides powerful, positive feedback for those calling. It also makes a powerful impact on the donor to get a call from the charity's CEO.

G. Get it Right

It is important to handle the donor's gift accurately, and respond promptly. Consider stewardship goals that require you acknowledge a donor's gift within five business days of receipt; that you pay careful attention to the manner in which you acknowledge non-cash gifts so that you do not create a confusing set of gift values[1] (for example, the donor's appraised value and the charity's post-sale value); deliver charitable gift annuity checks on time; and deliver annual 1099-Rs (for charitable gift annuities) or K-1s (for charitable remainder trusts) on a timely basis. The details are important to donors and evidence your care and concern about the donor's ability to realize the value/benefits of the gift.

H. Remain Consistent

Stewardship is not a one month, one year, or even two year project. It must be ongoing to be effective. Stewardship responsibilities should be assigned not only to development staff but to program staff, the executive leadership staff, and board. Measure ongoing stewardship progress in staff and board meetings. Make changes to stewardship if necessary. If there is enough activity, you may want to assign the title of "Stewardship Officer" as a stand alone position or as a key element of a staff member's job description. Taking these steps will clearly position care of donors as an organizational priority.

VI. Final Thoughts

Care of donors comes naturally to most development officers, but to be effective, must be part of a larger culture of the charitable entity. We all know that saying "thank-you" on a timely basis, keeping accurate records, and honoring donor intentions is important, but we do not always allocate staff, voluntary, and budget resources to the task. Make it a priority today and you will build a larger base of donors to whom you can successfully appeal to "Create a Jewish Legacy" and you will have happier, longer-giving, donors.

[1] I recommend you record and acknowledge the gift based on the donor's date of gift value for personal income tax purposes.

APPENDIX A
SAMPLE STEWARDSHIP PLAN FOR CURRENT GIFT DONORS

Giving Level	Print and Electronic	Personal
$25,000+	• Tax thank you • *Charity* print newsletters • Invitation to annual Open House • Monthly electronic newsletter email • Listing in Annual Report • Determine if appropriate for sponsorship or invite to Major Donor Small Group Thank Yous • No direct mail appeals • Donor file on record	• Call and/or visit from CEO or Board Chair • Call or note from board member • Annual Report mailed w/note • Thank you from client • Invitation to join Major Giving Recognition Society
$10,000- $24,999	• Tax thank you • *Charity print* newsletters • Invitation to annual Open House • Monthly electronic newsletter email • Listing in Annual Report • Determine if appropriate for sponsorship or invite to Major Donor Small Group Thank Yous • No direct mail appeals • Donor file on record	• Call and/or visit from CEO, Board Chair, or Development Head annually • Call or note from board member • Annual Report mailed w/note • Thank you from client • Invitation to join Major Giving Recognition Society
$5,000- $9,999	• Tax thank you • *Charity print* newsletters • Invitation to annual Open House • Monthly electronic newsletter email • Listing in Annual Report • Determine if appropriate for sponsorship or invite to Major Donor Thank Yours • No direct mail appeals • Donor file on record	• Conversation with CEO, Development Head, or Major Gift Officer annually • Call or note from board member • Annual Report mailed w/note • Thank you from client • Invitation to join Major Giving Recognition Society
$2,500- $4,999	• Tax thank you • *Charity* print newsletters • Invitation to annual Open House • Monthly electronic email • Listing in Annual Report • Determine if appropriate for sponsorship or invite to Major Donor "thank yous"	• Conversation with CEO, Development Head, or Major Gift Officer annually • Call or note from board member if special reason • Annual Report mailed w/note • Thank you from client

	• No direct mail appeals • Donor file on record	
$1,000-$2,499	• Tax thank you • *Charity* print newsletters • Invitation to annual Open House • Monthly electronic newsletter email • Listing in Annual Report • Invitation to Major Special Event (Gala, Celebrity Chef Dinner, Ball, etc.) • No direct mail appeals • Creation of donor file	• Conversation with CEO, Development Head, or Major Gift Officer annually • Annual Report mailed w/note • Thank you from client
$500-$999	• Tax thank you • *Charity* print newsletters • Invitation to annual Open House • Monthly electronic newsletter email • Listing in Annual Report • Annual Report emailed • All direct mail appeals	• Thank you call from development staff member.
$200-$499	• Tax thank you • *Charity* print newsletters • Monthly electronic email • Invitation to annual Open House • Listing in Annual Report • Annual Report emailed • All direct mail appeals	• Thank you call from development staff member or volunteer.
$1-$199	• Tax thank you • *Charity* print newsletters • Monthly electronic newsletter email • Annual Report emailed • All direct mail appeals	• Thank you call from volunteer (gifts $10-$199 and/or if special circumstance)
New donor	• Tax thank you • Welcome package (thank you, monthly giving brochure, giving envelope, general brochure ≥$25, fact sheet ≤$25) • Monthly electronic email • Invitation to annual Open House • All direct mail appeals	
Monthly Givers	• Tax thank you at year end • No direct mail appeals • *Charity* print newsletters • Monthly electronic newsletter email	

	• Annual Report emailed • Year-end request	
Long-time donors	5 years – planned giving materials 10 years – planned giving materials	5 years – Call from CEO or Development Head , note from Assistant Director of Development 10 years – Visit from CEO or Development Head, call from Assistant Director of Development

APPENDIX B
SAMPLE STEWARDSHIP POLICIES FOR ENDOWMENT DONORS (OUTRIGHT AND DEFERRED)
(Excerpt from larger set of endowment policies)

III. STEWARDSHIP STANDARDS

A. The Role of Stewardship

Stewardship of endowment donors and donors who make deferred gift commitments to endowment is of paramount importance in ensuring accountability of the gift purpose, increasing the gift satisfaction of donors, and maintaining ongoing relationships with donors.

B. Annual Stewardship Plan

ABC Charity shall create an annual stewardship plan for current and deferred endowment donors.

B-1. Annual Reporting and Communications. ABC Charity is committed to reporting to its donors and the general public about its endowment. For this purpose, ABC Charity will include endowment information in its annual report, in its campaign report, in a separate report on endowment, on its website, and in other forms as appropriate.

[a] Annual Report. Endowment information in the annual report shall include:

- The endowment's net assets and investment return for the prior five years, highlighting the current year return;
- The market value of each endowment sector and the endowment as a whole;
- A general report of endowment spending for the year with a focus on the impact of those distributions; and
- Such other information as the Treasurer and Senior Vice President for Private Donor Engagement deem appropriate.

[b] Annual Endowment Report. An annual endowment report shall be prepared for donors, donor families, endowment prospects, and the interested public. This report may be prepared as a stand alone report or a subset of the annual report.

- The endowment's net assets and investment return for the prior five years, highlighting the current year return;
- The market value of each endowment sector and the endowment as a whole;
- The fund names associated with each endowment sector;

- Information for donor advisors that includes contact information, one or more sample endowment agreements (approved by General Counsel), and areas of need;
- The case for endowment;
- A list of current year endowment donors;
- A report of endowment spending;
- Such other information as is necessary to fully disclose endowment spending and creation.

[c] Endowment Information on Website. The website should include the following endowment information:

- The endowment's net assets and investment return for the prior five years, highlighting the current year return;
- The market value of each endowment sector and the endowment as a whole;
- The fund names associated with each endowment sector;
- Information for donors and donor advisors that includes ABC Charity contact information, one or more sample endowment agreements (approved by General Counsel), and areas of need;
- The case for endowment;
- A list of current year endowment donors;
- A general report of endowment spending;
- Information on how to make a gift to endowment (including various gift forms);
- Such other information as is necessary.

C. Annual Contact with Living Donors for Separately Accounted Funds

The ABC Charity stewardship plan should contain, at a minimum, the following activities for living donors with separately-accounted funds:

- An ABC Charity annual report
- An endowment annual report (if separate)
- A personalized letter reporting the fund balance and the impact of the fund for that year, signed by the President & CEO of ABC Charity
- At least one phone call from a program staff member at ABC Charity to say "thank you" to the donor
- At least one phone call from the planned giving telephone team to say "thank you to the donor" and to ensure that donor has the information he or she needs to monitor the fund performance
- Such other materials or activities as are appropriate

D. Annual Contact with Living Donors with Named Funds.

- An ABC Charity annual report
- An endowment annual report (if separate)
- A personalized letter reporting the general impact of the spending from the endowment sector for that year signed by an individual associated with that sector
- At least one phone call from planned giving telephone team to say "thank you to the donor" and to ensure that donor has the information he or she needs to monitor the fund performance
- Such other materials or activities as are appropriate

E. Annual Contact with Current Donors to Endowment with Neither Named Nor Separately Accounted Funds

- An ABC Charity annual report
- An endowment annual report (if separate)
- Such other materials or activities as are appropriate

F. Annual Contact with Families of Deceased Donors with Separately Accounted or Named Funds to Endowment

- An ABC Charity annual report
- An endowment annual report (if separate)
- A personalized letter reporting the fund balance and the impact of the fund for that year, signed by an individual associated with the relevant endowment sector
- Such other materials or activities as are appropriate

G. Annual Contact with Deferred Gift Donors

Most deferred gift donors make revocable gifts through bequests under will, retirement beneficiary designation, insurance policy beneficiary designation, or retaining the right to change the charitable beneficiary of a charitable remainder trust. Stewardship of these donors is particularly important in maintaining the donor relationship and retaining the gift. The following minimum contacts should be made with all deferred gift donors:

- Annual recognition as a member of the ABC Charity Legacy Society
- A copy of the ABC Charity Annual Report
- A copy of the ABC Charity Endowment Annual Report (if separate)
- An invitation to a ABC Charity Legacy Society "thank you" annual reception
- A call from a planned giving telephone team member
- Such other information as appropriate, to include a newsletter, ABC Charity magazine, etc.