



Best Practices in Donor Recognition:

Donor recognition, as a practice, offers three things to your audience of donors: (1) Access, (2) Information; and (3) Recognition. We offer all of these things to all of our donors but we offer them in proportion to the donor's generosity. We do this not because it is our goal to be exclusive but because the party in question has demonstrated their level of interest in our institution and it is up to us to reciprocate accordingly. To respond with too little or too much can become a point of discomfort and contention and it is our goal, as donor relations professionals, to offer all that is correct, legal and comfortable to our generous constituents.

To do these things well we must acknowledge that individuals show their interest and loyalty in different ways. While people of means may make large gifts infrequently, people with more modest means may demonstrate the same level of interest and loyalty by making smaller gifts with greater frequency. With that in mind we are called upon to steward these individual's gifts appropriately.

I. Receipting

The first action one takes when recognizing the generosity of a donor is to provide prompt, accurate documentation of the gift. Depending on the culture of your institution "prompt" may be defined as five business days or 48 hours. Acknowledging that different institutions have different resources and many are volunteer-driven, it is important that the donor know what to expect when making a gift.

As a best practice it is safe to say that an institution has the remainder of the week in which the gift was received plus the next five business days to get the receipt in the mail. Keep in mind that the receipt serves two purposes (1) to acknowledge that it was received; and (2) to provide tax documentation.

If for some reason your turn-around of receipts is delayed, it is a good practice to recognize the gift with a post card, phone call or email so that the donor knows that the gift has not gone astray.

For additional information on receipting and acknowledgement, please see the ADRP Best Practices Acknowledgement information (on the Best Practices site; part 3 of this original series).

II. Great Acknowledgement Letters

There are a number of characteristics that make up an ideal acknowledgement letter to help your recognition program. The following are just a few tips for making acknowledgement meaningful and personal, enhancing your recognition program:

- Form letters are convenient but the more personal the better.
- The greatest recognition via your acknowledgement is to utilize (1) the person with the best relationship with the donor; or (2) the person likely to feel the greatest impact of the donor's

generosity. That could mean any number of people from a gift officer to a professional within the institution, a volunteer or a recipient/grateful patient.

- A great acknowledgement letter may mention the purpose of the gift but must always mention the impact that the gift will have.
- Electronic gifts should be recognized with an electronic communication.

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III. Newsletters

Newsletters provide all three donor relations elements to their intended audiences: access, information and recognition. Depending on the nature of your institution, they can be provided tangibly or electronically.

In terms of access, newsletters can be customized to your audience. In fact, many institutions recycle the same content and customize only the front page article for unique audiences and constituencies.

IV. Special Events

Special events offer all three essential donor relations elements:

- Access in that the idea of a gathering comes with the expectation that the guest list will be special and/or exclusive in some way,
- Information that your program (speaking or otherwise) should convey something special and/or exclusive to your audience; and
- Recognition in that the group is gathered for the purpose of recognizing them as a whole and/or a smaller group as special honorees.

Special events come in all shapes and sizes whether they are celebrating events related to campaigns, capital projects, fund raising efforts, endowments, milestones or other donor recognition programs.

V. Donor Recognition Programs (Societies, etc.) and Individualized Stewardship Plans

Donor Recognition Programs come in one of two primary ways with shades of gray; some programs exist for the sake of recognition alone while others integrate a full-blown integrated stewardship and fund raising element.

Donor Recognition Programs and Donor Engagement Programs are an easy way to apply standards in a group setting. By setting up a “giving society, circle or club” one creates the opportunity to steward these donors’ generosity using broad strokes. When executed properly these societies and engagement programs ensure that donors/participants honored for giving at a certain level (leadership giving) or for a particular behavior that the institution would like to see perpetuated (consecutive annual giving) are treated equally.

If the goal of the program is simply to recognize donors and their level of giving, the program may rely heavily on printed or electronic listing pieces. They may also make use of print or electronic impact publications. Some institutions elect to maintain a donor wall for a period of time. Additionally some institutions will create recognition societies or programs whose life span is only as long as the purpose it serves (e.g. campaigns).

If the goal of the program is to engage the donor fully, utilizing more personalized efforts, conjunction with the “societies” plan, will help you cater to the donor’s unique interests and connect them with other similar opportunities encouraging the donor to continue their involvement with the institution for a longer period of time.

With the construction of a donor recognition or donor engagement program there are often perceived “benefits” associated with what some might term “membership.” Typically these benefits involve some sort of print recognition, special events invitation, or access to exclusive information and press information. In many cases gift items may be involved, (i.e. lapel pins, window clings, membership packets). In many cases there are tax-related quid-pro-quo issues that should be addressed by senior leadership.ⁱ

This is especially true of clubs like athletic booster programs where there is a purchase and exchange of goods element. For hypothetical example, for \$50,000.00 a year you can be a “Platinum Booster.” You get special parking, access to pre-game meals and box seats. In these cases, one’s philanthropic tax credit is equal to the donation less the actual cost of the benefits provided so the taxable donation may be significantly smaller than the gift.

It is very important that your institution examine any perceived benefit opportunities with the assistance of legal counsel. Policies and procedures are not cookie-cutter in that they cannot be developed for one institution and then used for another and expect to be legally binding.

Individualized stewardship plans are another way to recognize and engage donors with or without the use of giving societies/engagement programs. Together with these programs an institution is able to make the best use of its resources by stewarding evenly across the board but giving special attention where it is beneficial to the donor and the institution.

These plans typically outline important donor information, their connections, volunteer roles, significant contributions, anniversaries of significant contributions, birthdays, special interests, upcoming opportunities, publications and invitations that might provide the prospect manager or leadership gift team the opportunity to create a customized donor-institution experience.

VI. Capital Project Recognition

Fundraising for a capital project is can be simple and complex. In order to raise funds to pay for a building, an institution may fund their work in many different ways.

Naming Opportunities

When it comes to donor recognition most institutions take the sum of the project costs and assign values to potential naming spaces. When the values are assigned the total cost of the naming opportunities is generally equal to the cost of the project. It is also helpful to consult/create a naming policy or procedure guidance. Samples of these may be provided in the archives at www.adrp.net.

It is important to have these opportunities outlined as early in the process as possible (planning a full year ahead is not uncommon) so that gift officers can adequately communicate what is available to

interested parties. As unique structures, buildings provide any number of naming opportunities: the building itself, the professional or academic unit or department suite, entire floors, gathering areas, classrooms, meeting rooms, offices, special collections, study carrels, dining areas, gardens, patios, etc.

It is possible to name a space within a space but this must be done carefully and sensitively – most importantly communication to the donor(s) during the negotiation process is essential. For example, the Jane Q. Donor classroom may be available for naming and inside that space there could easily be a technology suite provided by a corporation so the placement of plaques and tags should be considered with all due sensitivity and both donor parties should be informed so that there are no post-agreement surprises.

When selecting a vendor it is important to find a company that is able to represent the building's character effortlessly – meaning signage should never be an eye sore that detracts from the architectural integrity of the building. Clear communication with potential vendors is critical – providing them with construction images, stories, material descriptions – anything can help them help you present your decision makers with the finest product.

Donor walls, plaques and electronic displays can be expensive and time-consuming. Recently, companies who manage these things have become more creative making use of renewable materials and finding smart ways to imitate a million dollar look on a thousand dollar budget.

When considering a plaquing/donor wall project that will require annual updates keep in mind that this will place a significant administrative burden on the individuals responsible for making updates. Additionally, when selecting materials (e.g. bronze v. glass) keep in mind that donors with joint recognition may experience changes in their personal lives that might make the recognition process uncomfortable. Renewable resources that can be conveniently and inexpensively edited are a bonus in this respect.

Electronic displays are another alternative that is gaining popularity. When selecting a vendor be certain to review contracts carefully and take into consideration the costs that come with maintaining current display data.

When “selling” trees and benches it is sometimes advisable to make certain that the naming cost is significant enough to tend to the maintenance of the item in question. Weather can do almost anything to stone as can people. Trees are often lost to disease and construction. It is best to have at hand resources to restore the items to their original condition.

As the nation ages so do our architectural tributes and many times we find that buildings desperate for updates or demolition create awkward situations for philanthropic foundations and families. In these instances many institutions offer the original donors first right of refusal when it comes to renovations. Where this is impossible to accommodate, finding an appropriate space within the new structure should suffice. For example, a residence hall named for a donor is being demolished to make room for apartment-style housing. In this case, one might preserve an original plaque in a courtyard or a central gathering space. One might also consider naming the main common space for the family who gifted the original structure.

VII. Campaign Recognition

Campaigns provide an institution with a great deal of excitement and momentum and the outcome provides donor relations and stewardship professionals with a great deal of administrative work after the fact. For many institutions it can mean business as usual. For some institutions it is necessary to

“beef up” on staff, supplies and funding in order to manage more of everything - for example, events.

The resources one uses for every day stewardship work are also used over the course of a campaign. In this respect marketing, communications and campaign colleagues are a very valuable resource in that raising the profile of your campaign leaders is an important part of the process. Making this partnership is essential.

Many institutions consider a “donor wall” or some kind of comprehensive recognition piece to be the period at the end of the campaign sentence. In these cases it is advisable to consult not only with your supervisors and campaign leadership but also with the people who manage your institution’s master plan. You may find inspiration there. It is also helpful to consult the institution’s community and get their thoughts on the addition of something that may permanently alter the landscape of the institution. Whatever you elect to do should fit the culture of the institution.

VIII. Web Recognition/Printed and E-Publications

Electronic resources have opened up a whole new world of recognition possibilities with Twitter, Facebook, web pages, Flickr, YouTube, Wikipedia, mobile phone apps and LinkedIn. Many print pieces like donor honor rolls have gone electronic. Some are password protected while others are public. If your institution elects to make use of electronic resources to publish donor lists keep in mind that it is necessary to provide donors with a method of opting-out.

IX. Honor Rolls

Honor Rolls are quickly becoming a thing of the past for institutions and organizations whose culture do not support this kind of recognition. That said, there are some places where this practice is expected and necessary. In those cases it is important to make certain that the information is organized in an easy-to-understand format and special attention should be paid to editing names and keeping consistent in terms of indicia and special notes.

X. External Publicity and Equitable Recognition

Check with your institution’s communication policies to determine the protocol and practices required there. Using these, a procedure for external information and publicity may be created about and for donor(s) and gifts. When working in a de-centralized institution, confer with stewardship and donor relations colleagues in the different programs/schools to ascertain equity among giving levels and recognition.

Clarity among giving areas also will assist with equitable recognition when a gift is split, e.g. one \$1 million gift is split between the law school and drama program. Working with stewardship and donor relations colleagues and/or the development team(s) can help ensure continuity in the donor relations procedures as well as equitable recognition – at the individual program level and the institutional level.

ⁱ <http://www.irs.gov/charities/charitable/article/0,,id=123201,00.html> is a link that will take you to the government’s rules and regulations surrounding quid-pro-quo. It is recommended that institutions seek the guidance of their legal counsel for assistance in interpretation of the law.