Stewardship: What do You Say After 'We Love You'?

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Charities receive all kinds of gifts: large, small, planned, in-kind, checks, stock transfers, pledges, membership dues, event ticket sales, and memorial gifts. The ways your organization responds impacts whether that donor makes future contributions, and tells their friends about your organization. And, how you invest those funds in the mission, programs, and services creates a favorable, or unfavorable, reputation that determines whether donors make future investments.

Boards and staffs of nonprofits spend an inordinate amount of time figuring out how to raise money for the annual budget and long-term dreams of the organization. Board meetings often include lengthy discussions regarding "meeting the budget", the next fundraising event, the status of grants and contracts, and the need for everyone to write bigger checks and identify new donors.

However, too little time is spent discussing the best ways to acknowledge gifts and the people and institutions behind those gifts. It is assumed that "somebody sends a thank you letter", perhaps because the IRS requires written acknowledgment of gifts larger than $75. The letters range from personalized notes from the CEO regarding the importance of that gift in advancing the mission to dreadful form letters from accountants.

Stewardship is the art of figuring out what to say to donors after "we love you." Stewardship is the process of insuring that the investments made by individuals, foundations, corporations, and government in your organization are being prudently and effectively used for the purposes they were given. Good stewardship insures you will do this wisely, frugally, and on-time. Too many nonprofits are ineffective at stewardship because they have never had serious discussions regarding its importance. If focused on effective stewardship, their fundraising would not be as challenging, expensive, and time consuming.

Stewardship has four stages: thanking a donor for their gift; keeping the donor regularly informed about the work of the organization; getting to know the donor by listening to them and learning about why they care about your organization; and cultivating those donors to make consistent and increased investments annually, perhaps in perpetuity through a bequest.

What do effective boards and staff do to promote good stewardship?

- Create an annual stewardship plan, including a gift acknowledgement system (letters, phone calls, face-to-face meetings) appropriate for the type of donor (individuals, foundations, corporations) and size of gift.
- Tell your donors why you exist, what you are trying to accomplish, that they are vital partners in your mission, and how their money makes that happen.
- Talk about results, outcomes, changed lives, number of clients served, successes, how capacities increased.
- Find out why your donors give to your organization. Let your donors do the talking and your role is to simply ask, "why do you give to us? What do you know about us?" People love to talk about themselves. Let them.
- You can't do enough for corporate donors. Splash their name everywhere, give them exposure on your website and newsletters. Invite their senior staff to your facility, go to their office. Give them a plaque for their lobby. Love on them unceasingly but don't spend too much money doing it.
- Communicate to your foundation donors about results and outcomes. Six months into a grant, ask for a face-to-face meeting. Present a 15-minute update on what is happening in your organization, and the impact of their grant.
- Effective donor recognition encourages others to want to see their names on the "benefactor wall."
- Don't forget to acknowledge gifts from your board leaders – they should be your best donors and strongest planned giving prospects.
- Occasionally communicate without asking for money. Share something that demonstrates you are working hard and spending their money wisely. If you have a new program, send an announcement. Assure your donors that your organization is fiscally healthy but needs their financial help. If you have a bad year financially, tell them why, and why you need their help.

Ultimately, good stewardship results in donors becoming lifetime investors in your organization and feeling that they have a vested interest in the outcomes of your work.