

## The University of Alabama at Birmingham Stewardship Program Standards

Stewardship is an integral component of the donor engagement cycle, playing a role from the beginning to the end of the gift giving continuum. It is key to ensuring a strong, long-term relationship with donors. Research<sup>1</sup> proves that donors will give again to a charity that thanks them promptly and in a personal way and follows up later with a meaningful report on how their gifts were used. UAB's best prospects are its past donors; therefore, it is essential that UAB effectively demonstrates its appreciation of donors. This gratitude should be expressed through a variety of means and accurate communication to donors relative to how their gifts are being used, whether the donor is an individual, a corporation, a foundation, or another type organization.

Stewardship should be viewed as a responsibility that all Development Office staff and the institution itself incur when a gift is accepted for some purpose. Each individual within the Development Office must commit to working as a team to ensure the following:

- accurate recording of gifts
- capture of complete biographical information on the donor
- appropriate acknowledgement of gifts
- sufficient documentation of gift restrictions
- tracking and monitoring fund usage data for reporting the impact of gifts to donors
- the suitable recognition of donors that is within IRS guidelines and consistent with University standards.

The mission of the UAB Office of Stewardship and Donor Relations is to cultivate positive and enduring relationships with University donors by expressing appreciation for their contributions and updating them with the results of their giving. The related goal is to help donors realize the importance of their gifts, strengthening donor alliance with the institution and inspiring donors to give repeatedly and at increasingly higher levels because they feel positive about their relationship with UAB and their overall giving experience.

### ***Receipt and Deposit of Gifts and Recording of Donor Information***

All gifts to UAB are processed through the UAB Gift and Biographical Records Office. This office is charged with the appropriate recording, reporting, and receipting of gifts. A continuing goal is to have all pertinent donor information captured and gifts deposited in a timely fashion consistent with available resources for processing gifts.

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<sup>1</sup> *Donor Centered Fundraising and The Burk Donor Survey - Where Philanthropy is Headed in 2013*, Penelope Burk

Good stewardship begins with the initial listing and recording of the gift. Accounts should be established using the name the donor wishes or specifies. The donor's name, spouse's name, and other contact information must be recorded precisely according to the address standards outlined by the Gift and Biographical Records Office or the donor's specific directive if different from University standards. Everyone on the Development Office staff must be vigilant and attentive to timeliness, thoroughness, accuracy, and detail. Mishandling a gift or misspelling a name can undo everything that has gone into developing a donor's major gift.

To demonstrate to donors a commitment to stewardship, Development Office staff members must be committed to protecting donors' personal information. Online giving through a secure website offers the best protection of confidential credit card information for a gift and should be used whenever practical.

It is essential that gifts and checks are forwarded to the Gift and Biographical Records Office as soon as possible, especially in the busy months of November through January. Timely deposits of checks and transfers of stock keep donors from becoming irritated at an apparent lack of stewardship. We are all stewards, and appropriate offices should be notified of incoming gifts and copied on correspondence with donors.

### ***Gift Acknowledgements***

- All gifts receive a receipt from the UAB Gift and Biographical Records Office. Receipts include a thank-you message.
- Correspondence templates for thank-you notes from executive-level University administrators are developed based on designation and defined messaging. Templates are updated regularly and are personalized based on relationship.
- For gifts greater than \$25,000, a letter is prepared from the Vice President for Development, Alumni and External Relations.
- For gifts of \$100,000 or greater, a letter is prepared from the President.
- If a relationship with a donor exists, letters below these levels are generated.
- Gifts-in-kind valued at \$25,000 or more are acknowledged, but correspondence does not include any monetary valuation of the gift.
- Benefitting units are expected to acknowledge all gifts.
- No acknowledgement letter should include a tax deductibility statement or the amount of the gift, as these items are reflected on the gift receipt which is an official function of the Gift and Biographical Records Office.
- All faculty and staff gifts that are under \$25,000 will be acknowledged annually via a special fiscal year-end message to be sent around the Thanksgiving or December holidays.
- Units are encouraged to acknowledge first-time donors in a meaningful way to introduce first-time donors to the impact of giving on the program and solidify the start of a relationship between the donor and UAB. This could take the form of a simple postcard, or the unit may prefer to send a more comprehensive packet of information.

Acknowledgements and receipts should be sent as soon as possible noting the purpose of the gift, even for small gifts. Most central acknowledgement letters are prepared and distributed within two weeks of gift entry. All unit-based acknowledgements should be personalized based on the gift amount and designation, and if standard acknowledgement templates are used, they should be changed at least annually.

If all gifts are stewarded correctly, donors at every level of giving may be moved to give in increasing amounts or with more frequency. If a gift has a restriction or is conditional, or if the donor has indicated stipulations concerning reports, these should be noted in detail on the donor's Banner record, as well as within a gift agreement if necessary. Special concerns or requirements must also be communicated to appropriate central and unit-based development personnel. Other offices should be apprised as appropriate (e.g., Financial Affairs, Student Financial Aid, or other department or division). Procedures must be in place to ensure that future monitoring occurs as needed.

### ***Affirmation of Donor Intentions***

Once accepted, gifts must be used in the way and for the purpose the donor intends, with scrupulous attention being paid to the donor's wishes and stipulations. In evaluating the acceptance of an intended gift, care should be taken to consider whether the donor's wishes and stipulations are feasible before a gift agreement is drafted. When appropriate, gift agreements and, when suitable, resolutions for presentation to The Board of Trustees of The University of Alabama are prepared by the Office of Stewardship and Donor Relations in conjunction with the benefiting unit to help ensure that the donor's wishes are carried out. The appropriate Banner records should contain all the details of restricted gifts, and gift agreements are shared with relevant parties on campus to ensure donor wishes are followed for the life of the gift or in perpetuity if endowed.

### ***Fund Management***

Resources provided by the donor must be invested, conserved, and utilized wisely in the best interests of the university and the particular unit that is benefiting from the gift. The university's financial affairs division takes on the largest part of the management of donated funds and other assets that have restrictions, conditions, or ongoing implications. If more than one department is affected, they must work together to ensure donor requirements are met. The Development Office should always be included in this process because good stewardship is a special province of development, and of all the administrative departments, it is the one most oriented to the donor. Currently, the Office of Stewardship and Donor Relations receives regular financial reports on University endowments for reporting purposes, and up-to-date information is available for proposal and other needs.

## **Reporting**

The Office of Stewardship and Donor Relations provides stewardship reports to living donors, or their representatives, of endowments as well as major gifts to current-use funds. The goal of the annual report is to provide a reminder to the donor, honoree, or family member of the impact the fund is having and to cultivate the fund contact for additional gifts. These reports:

- Review the purpose for which a donor's gift was contributed
- Provide pertinent financial data regarding the gift, if appropriate, such as status of endowment principal, market value, projected spendable earnings, and investment return
- Include other information of interest to the donor contact such as the names and backgrounds of new recipients/incumbents to scholarships, fellowships, or endowed chairs and general information on fund usage
- Reaffirm the university's deep appreciation for the donor and the gift

### Report Format:

- Cupcake Model

The cupcake model will be sent for every fully-funded, established endowment and for major gifts and pledges (\$25,000 and above) to certain identified current-use funds.

#### *Endowed Funds:*

This report will be mail merged annually. Reports will include financial details for the endowment, a purpose statement, and an investment report for the previous calendar year.

#### *Current-use Funds:*

This report type can be used for mailings to multiple donors of major gifts designated to particular current-use funds. For example, all donors who gave \$25,000 or more to a specific memory disorders research project in the Department of Neurology would receive an impact report highlighting accomplishments within the research area. The report would be mail merged from a Banner-produced donor list and sent at a particular date (preceding a special event or solicitation) identified by the development officer. It is proposed that the material for these reports be derived from information that the development officer and development communications team are using annually to create proposals for donors to these areas.

- Birthday Cake Model

The birthday cake model will be used primarily for endowed scholarship contacts (donor and honoree/non-donor) as well as for non-donor contacts for fully-funded, established endowed chairs and professorships. This report will feature all information found in the cupcake model plus basic recipient biographical information and/or benefitting unit usage information.

- **Wedding Cake Model**

The wedding cake model will be used for endowment or current-use gifts of \$1 million or more as well as endowment donors who have funded and receive information on more than one endowed fund. These reports will include basic information found in the cupcake model plus customized reports directly from the occupant of the endowment or the benefitting unit head. The report may include biographical information on researchers, detailed research information, and other items like articles and videos specific to the fund.

***Donor Recognition – Non Endowment***

Donor recognition takes many forms at UAB, such as special events; gift clubs; naming opportunities; magazine, newspaper, and newsletter article(s); and small gifts of appreciation. Please reference the donor recognition matrix included as Attachment A to this document. This matrix is included as a guideline, is not all inclusive, and is subject to change.

- **Special Events**

Special events at UAB include donor recognition dinners, lunches, or receptions; ceremonies; and “campaign-milestone” and other celebration events, which are often held in conjunction with the creation of new endowments, facilities, renovations, groundbreakings, dedications, or renamings as a result of major gifts. Special events can also include “by invitation only” events for the various group members, i.e., major gift donors.

These events give donors the opportunity for continued involvement with UAB. They feel connected to the campus, and hearing from the President is a good way to do that because they feel more informed as to what is going on at the university. Each event should have a specific purpose and goal. Major donor events should be coordinated through the University Events Office, and a photographer should be present to capture the occasion.

- **Naming/Renaming Opportunities**

Depending on construction costs of buildings, naming opportunities provide ways for UAB to publicly recognize donor giving (i.e. naming of building/wing, room inside building, stained glass windows, classrooms, apartments, etc.). In addition, naming a program may be appealing to some donors as well. By having their name on something, donors feel a sense of ownership in the project or program. The Board of Trustees requires that a donor give at least 33% and usually no less than 50% of the cost, not including land, equipment, landscaping, architectural or design fees, utility and infrastructure work, or furnishings, of the facility, or portion thereof, being named. For a program, there are minimum amounts set by the Board, and the gift must be of transformational and sustaining value to the program, giving due consideration to the size, scope, national recognition, annual operating budget, student enrollment or patient volume, if applicable, and number and accomplishment of the faculty of the program or unit being named.

The Office of Stewardship and Donor Relations should be involved in a naming project from conceptualization, working closely with the Facilities Division and/or Financial Affairs to identify the base costs associated with naming opportunities and solidifying those for Board consideration before the facility opening.

It is also the role of development officers to keep donors informed of what is happening in their spaces and be invited to special events held in those spaces. Development officers are encouraged to seek letters from students, faculty, and/or staff who use the space thanking donors and explaining how this positively affects their work at UAB. Units are encouraged to invite facility donors to campus to see the finished product—a one-day toured event for all hosted by an appropriate university official.

- **Recognition of Donor and Prospective Donor Milestone Events**

The Vice President for Development and Alumni may, at his/her discretion, recognize milestone events that occur in the life of a donor or prospective donor. These stewardship touches will be based on the relationship between the individual and the institution, not the amount of giving, and will include, but not be limited to, milestone birthdays, birth of a child, hospitalizations, death of a loved one, promotions, awards, and other significant moments and life events occurring that are deemed appropriate by Development and Alumni Office leadership.

- **Gift Clubs**

At present, there are multiple gift clubs at UAB. There is no formal university-wide lifetime giving recognition society or annual giving recognition society; however, recognition points are in place for major giving donors with the purpose of encouraging donors to give at an increasing level. The university has a recognition society for planned giving donors (members include UAB in their wills, name UAB as owner and beneficiary of a whole life insurance policy, establish a charitable remainder trust for the eventual benefit of UAB, or make a gift of life interest in personal property).

Gift clubs at the unit level are allowable and encouraged, specifically for those donors who are continuous, annual fund donors. It is recommended that gift club levels have associated tangible benefits; however, it is important that benefits fall within IRS laws and CASE standards and that no quid pro quo is perceived. Tchotchkes are discouraged, unless they are of de minimis value and provide a constant reminder to the donor of the program (s)he supports. If there are substantial benefits, as there are with most ticketed events, the value of the benefits must be charged against the gift and are not considered tax deductible contributions. Donors should have the opportunity to opt out of the benefits should they wish so the entire gift is tax deductible. The use of gift clubs to recognize donors should not replace or diminish stewardship of donor gifts. Meaningful items to donors include personalized notes, insider access, and measurable results.

Reasons for considering a gift club for your area or a particular program:

- Consistent donors are your best advocates in the community and to others.



- They are the best prospects for planned gifts.
- They make great volunteers.
- They have stories to tell which inspire others to give.
- A gift club can foster a sense of community and belonging that strengthens affinity and encourages more giving.

Potential tangible benefits:

- Postcard with decal or magnet
- A calendar containing relevant events of the unit
- Unit-based publication subscription
- Feature in unit-based publication
- Insider email, annual reports, or special updates
- Mentoring program invitation
- Private tours
- Invitations to special events including receptions, lectures, orientation, graduation, and other activities
- See Attachment A

### **Foundation/Corporation Stewardship**

Foundation and corporation stewardship is similar to individual stewardship in that we are working with people and those people need to be cultivated, stewarded, and solicited. However, foundation and corporation stewardship is based on a “grant year” which is dependent upon a grant proposal due date. This type of stewardship will be conducted on a case-by-case basis by development officer in concert with the Office of Stewardship and Donor Relations. This process is cyclical.

It is the role of the Office of Stewardship and Donor Relations to send a thank-you letter from the University for major gifts as outlined within this document. If scholarship is attached, efforts will be made by the development officer for the benefiting unit, in concert with the UAB Development Office when appropriate, so recipients and donors can meet.

### **Special Donor Recognition**

Continuous major givers are being stewarded with annual impact reports. Donors with cumulative giving of \$25,000 and above for the year where those gifts were made to multiple (greater than two) areas on campus receive an impact report. The Office of Stewardship and Donor Relations strategizes with development officers on stewardship plans. Letters are composed to recognize these donors for their generous annual support and include, where available, status reports on how gifts were used in those areas. These letters are signed by the Vice President for Development, Alumni and External Relations.

The following is proposed:

- The top tier continuous annual donors to the institution should be identified. The Office of Stewardship and Donor Relations would then work with the Vice President, assistant/associate vice presidents, and directors of development to produce personalized stewardship plans for these individuals.