



Education
Advisory
Board

Advancement Forum

Impact Reporting Practices for Major Gift Donors



Research Brief

eab.com

Advancement Forum

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1) Executive Overview

Key Observations

Donor reports combine stock elements with gift beneficiary information for individual donors' funds. Stock elements include a cover letter from advancement or academic leaders, a financial report that details fund market and book values, and overall institutional endowment information. Reports may also include individual donor history, a fund purpose statement, and a thank-you letter or profile from students or faculty who benefit from that fund. Contacts report that personalized cover letters or hand delivery to donors require an unsustainable amount of staff labor and complicate delivery tracking.

Major gift donors who contribute to endowed funds receive annual reports while donors to expendable funds typically receive one-time acknowledgements. Donor relations offices with limited staff resources focus reporting efforts on endowed funds because of the complexity of tracking expendable funds. Donor relations officers steward expendable fund gifts through acknowledgement letters, invitations to regional events with faculty and administrators, and annual fund communications that highlight student outcomes and faculty research.

Donor relations administrators employ alternative stewardship methods to recognize donors whose endowed fund contributions fall below major gift thresholds or who contribute major gifts to expendable funds. Alternative stewardship practices include thank-you notes from students or institutional leaders, publications about the institution's endowed funds, and invitations to luncheons or regional events. Contacts report that acknowledgement efforts engage donors and encourage future giving.

Stewardship staff direct schools and administrative units to supply fund impact information and solicit beneficiary information from faculty and students. Centralized donor relations offices at profiled institutions typically operate with three or four full-time dedicated stewardship staff and require support from other university divisions to create and distribute more than 1,000 endowed fund reports. Individual schools or units may also organize targeted stewardship initiatives including donor events, one-on-one meetings with students or faculty, and thank-you notes from deans.

Automated processes combine financial information with donor and beneficiary information to expedite report production. Stewardship staff employ linked platforms to combine data from fund administrators with data from the donor information database, file-naming conventions to combine report files, and survey tools to collect beneficiary information.

Contacts report that unawareness of the source of received financial aid limits student participation in stewardship activities. Stewardship staff undertake initiatives to educate students about the importance of donor support to provide financial aid and encourage students to express gratitude through thank-you letters to donors.

Donor relations administrators include mail-in surveys with donor reports every three- to- five years to gauge donor satisfaction. Surveys ask general questions about report format and content.

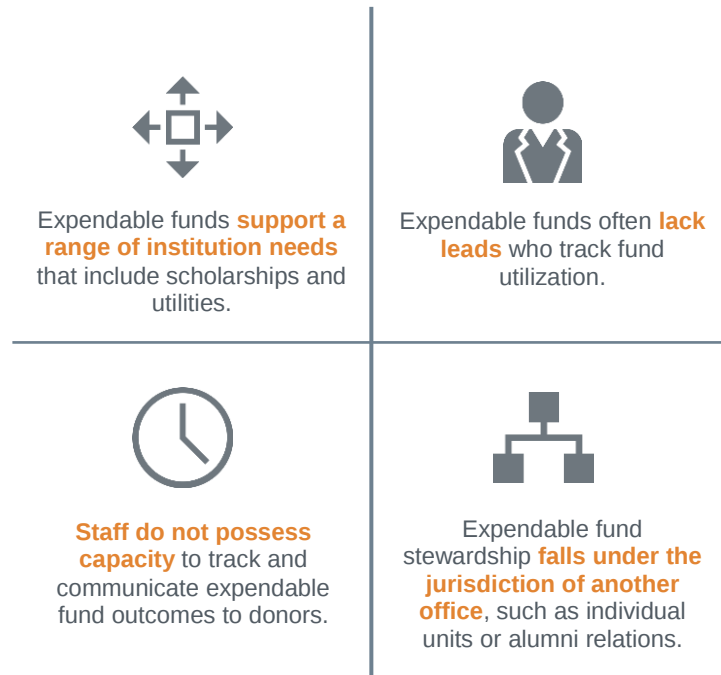
2) Report Format and Content

Gift Thresholds

Concentrate Reporting Efforts on Endowed Funds and Steward Expendable Fund Gifts through One-Time Acknowledgements

Donor relations administrators focus reporting efforts on endowed funds due to the complexity of tracking the use of expendable funds.

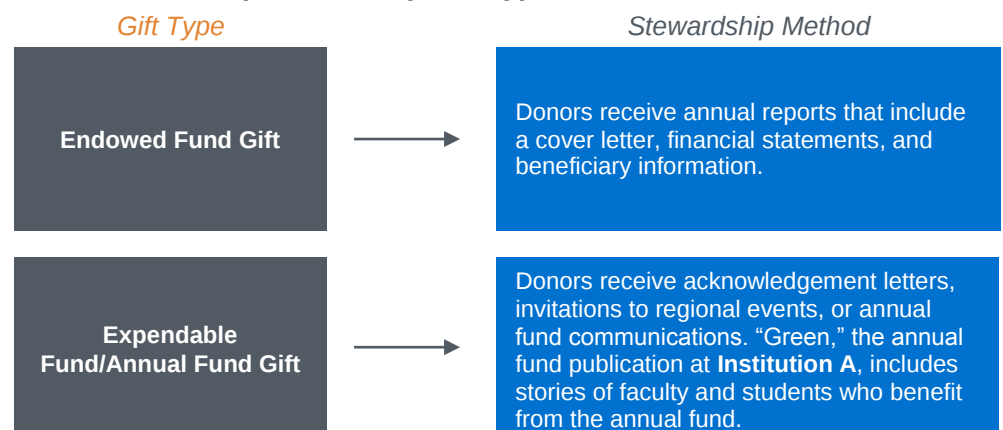
Obstacles to Reporting on Expendable Funds



Donor relations officers at **Institution B** hope to begin reporting on expendable fund gifts soon. Staff will evaluate nearly-spent funds that institution leaders never previously reported on to determine which expendable funds require reports. Contacts plan to vary report content by donor type; donors whom fundraisers hope to cultivate for a larger gift will receive more robust content than major gift donors.

Endowed fund donors receive an annual report while expendable fund donors typically receive a one-time acknowledgement.

Common Stewardship Methods by Gift Type



Limit Reporting to Major Gifts but Acknowledge Smaller Gifts to Cultivate Donors

Donor relations officers limit endowment reports to gifts that meet institutional parameters for a major gift. Parameters vary by institution.

Major Endowed Fund Reporting Parameters

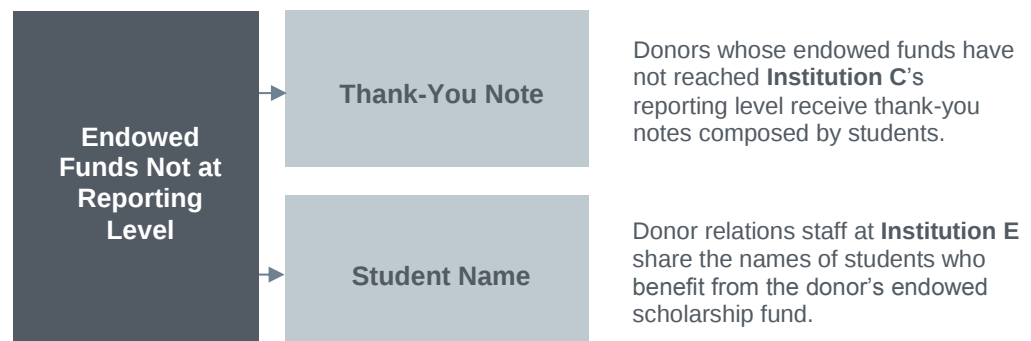
For Select Contact Institutions

Institution	Endowed Funds	Major Gift Minimum	Begin Reporting	End Reporting
Institution H	586	\$10,000	Endowment reaches \$10,000 level	Upon donor or school request
Institution A	1,200 named scholarship reports	\$250,000	Year after donor makes gift	Upon lack of recipient with vested interest
Institution G	1,400	\$250,000	New process - not all funds have living donors or contacts	Not available
Institution C	1,600	\$100,000 over five years	Student named as scholarship recipient (\$250,000)	Report to surviving spouse unless children request reports
Institution F	4,000	Report on any fund with living donor	Not available	Report to surviving spouse
Institution E	7,000, but only steward 3,500-4,000	\$250,000 for endowed scholarship	- Fund matched - Professor appointed (endowment half-filled)	Report to surviving spouse, may continue to children

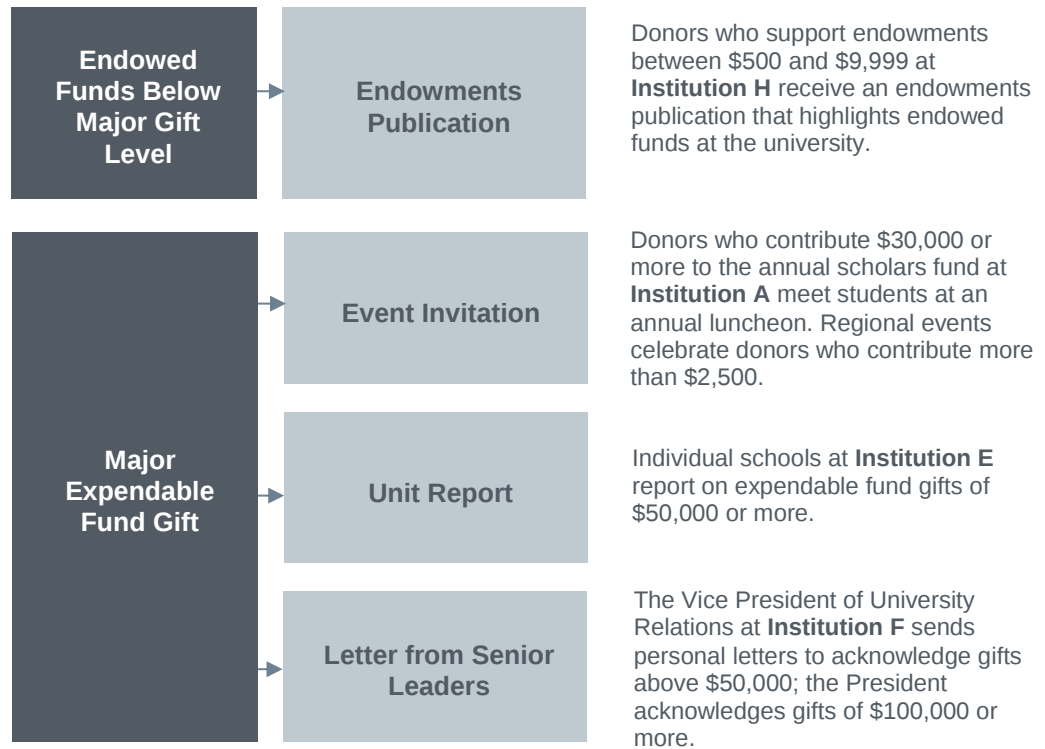
Field officers communicate with families to determine protocol for reporting to family members.

Donor relations administrators employ alternative stewardship methods to recognize donors whose endowed fund gifts fall below major gift thresholds or who contribute major gifts to expendable funds. Contacts report that acknowledgement efforts engage donors and encourage future giving; the 2013 Burk Donor Survey revealed that 68 percent of donors seek personalized thank-you notes and 23 percent made a more generous gift based on “exceptional” acknowledgement of a previous gift.¹

Alternative Stewardship Methods



1) P. Burk, "The Burk Donor Survey," Cygnus Applied Research, Inc., 2013, accessed October 9, 2014, <https://www.michiganfoundations.org/sites/default/files/resources/2013-Burk-Donor-Survey-Exec-Summary.pdf>



Donor Reports

“Connection, confidence, impact –it is important to show donors that they invested well and their gift made a difference.”
-Forum Interview

Personalize Beneficiary Information Instead of Content to Streamline Report Production

Donor relations administrators strive to create qualitative, impact-based reports that include photographs and institutional branding to engage donors. Reports combine stock elements with beneficiary information for the donor's supported funds; contacts report that additional content personalization overburdens unit staff. Fundraisers at **Institution D** wrote personal cover letters and hand-delivered reports to donors, but the process took too much staff time and rendered tracking report distribution difficult. Staff switched to stock cover letters and electronic delivery and shortened delivery time by four months. Endowed fund reports at most profiled institutions detail the most recent fiscal year; only **Institution H's** reports detail the previous academic year instead.

Common Endowment Report Elements

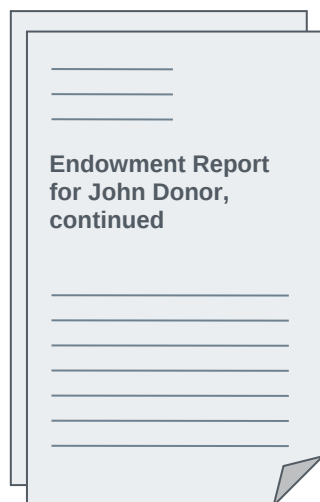




Share Unit-Based Endowment Information in Donor Reports

Donor relations administrators at **Institution B** plan to share information about individual school- or unit-based endowments in donor reports instead of the overall university endowment. Contacts report that unit-based endowments better demonstrate actual financial liquidity to donors who may resist giving when informed about the university's \$6 billion overall endowment.

Personalized Endowment Report Elements



- Donor giving history, including lifetime giving, fiscal-year giving to fund, and date of last gift to fund
- Fund purpose statement
- Beneficiary summary (varies by endowment type)
 - Scholar profile
 - Information about departmental impact
 - Media guide or annual report from athletics department
 - Summary of additions to library
- Thank-you letter from student or faculty member
- Faculty publications

Donors Favor Hard-Copy Reports over Other Reporting Formats

Donor feedback surveys identify hard-copy paper reports as the most effective vehicle for gift reporting, although donor relations administrators at the **University of Washington** report positive early feedback from web-based personalized donor dashboards. Feedback surveys at profiled institutions indicate that donors appreciate the detailed information and straightforward presentation offered by traditional brochures and booklets; web-based acknowledgements may suffer from low audience saturation, particularly among older donors.

Advantages and Disadvantages of Alternative Report Formats²

Format	Disadvantages	Advantages
Video  Donor relations staff at Institution E filmed student expressions of gratitude to send thank-you videos to donors.	▪ Time consuming to develop ▪ Students only enjoyed novel aspect once ▪ Low open-rates and view counts suggest little donor interest	Students create videos as first-years and again as seniors to document endowed scholarship impact, although staff do not plan to expand the video program.
Web Portal  The University of Washington's personalized donor portals show donor history, society memberships, and gift renewal options	▪ Time consuming to develop ▪ Requires dedicated IT team ▪ Poses information security risks associated with web-based platforms	The University of Maryland's Celebration of Scholarships website creates a central location that shows the purpose, historical beneficiary list, and select student profiles for each scholarship fund.

3) Report Administration

Staff Structure

Collaborate with Unit Staff to Solicit Beneficiary Information and Materials

Centralized donor relations offices typically operate with three- to- four full-time dedicated stewardship staff. Stewardship staff direct schools and units to supply fund impact information and solicit beneficiary information from faculty and students. Schools may also organize targeted stewardship such as donor events, personalized meetings with students or faculty, and thank-you notes from deans. Stewardship staff collaborate with other divisions (e.g., financial aid offices, investment offices) to gather information and produce donor reports.

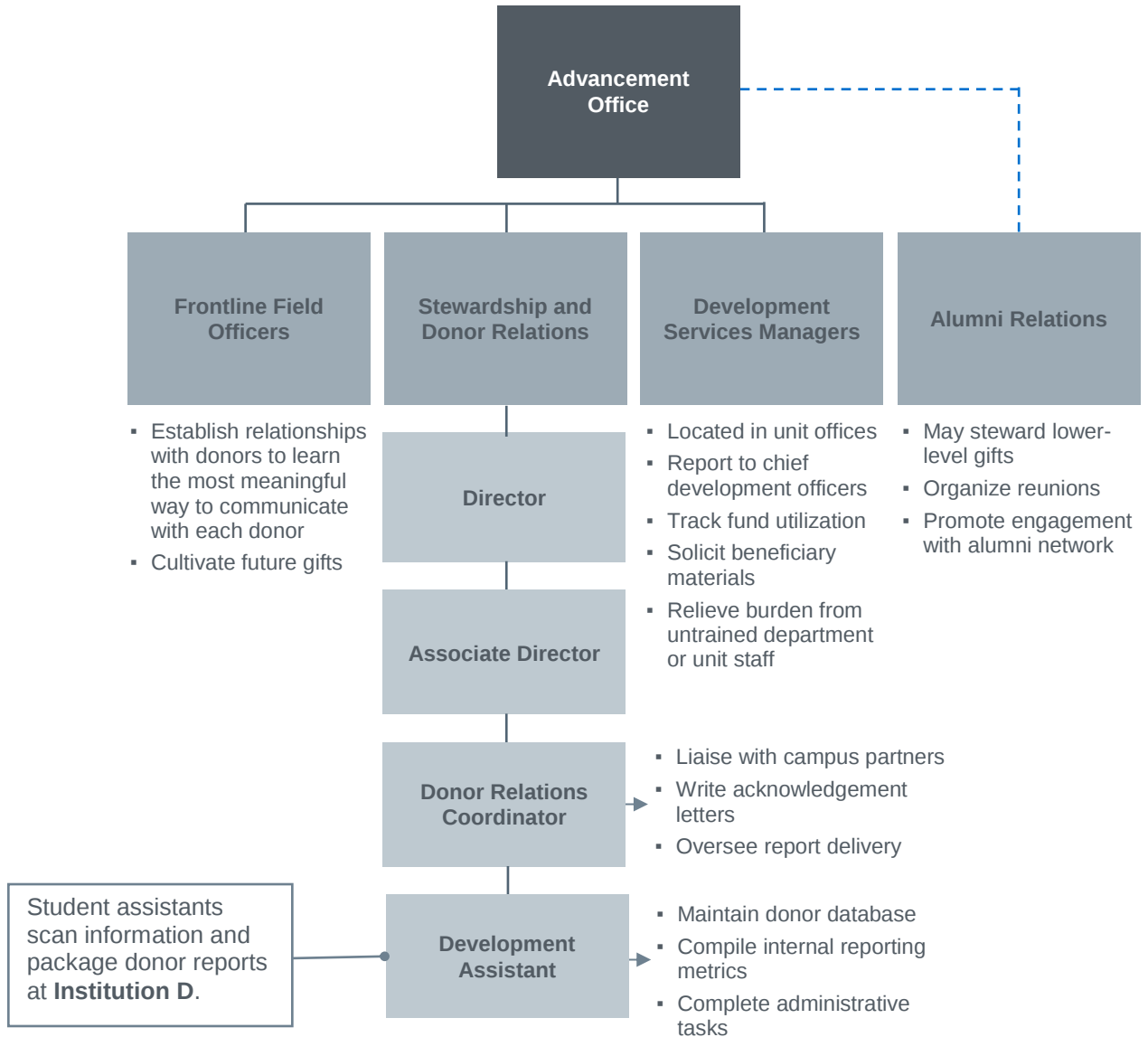
Although schools and units bear more responsibility for stewardship at institutions with decentralized donor relations offices, central staff typically process investment reports and track report delivery. The central office at **Institution E** also creates fund reports for units too small to maintain dedicated stewardship teams.

Report Stakeholders at Institution G

- Comptroller's Office
- Schools and Units
- Financial Aid Office
- Investment Office
- Provost's Office
- Communications/Design Team

2) University of Maryland "Celebration of Scholarships," accessed October 1, 2014. <http://advancement.umd.edu/celebration/index.php>

Typical Staff Structure: Centralized Donor Relations Office



Development offices operate as institutional budgetary units, although schools or units fund unit development offices. Departments and schools both contribute to fund department development staff at **Institution C**.

Report Production

Automate Report Production Processes with Linked Data Sources to Ease Staff Responsibilities

Stewardship staff spend an average of eight to nine months creating donor reports. Comptrollers must audit and release the financial information for the most recent fiscal year before stewardship staff complete donor financial reports. Staff monitor new endowments throughout the year to identify and code donors in the donor information database and to write statements of purpose for new funds.

Typical Endowed Scholarship Report Production Process



Automated processes combine financial information with donor and beneficiary information and expedite report production.

Automation Solutions

- **Linked platforms** collect data from fund administrators to combine with data in donor information databases. Microsoft SharePoint generates donor reports at **Institution F** by pulling from the donor information database (Advance) and the university accounting system (Banner Self-Service).
- **File-naming conventions** in a Microsoft Word application allow donor relations staff at **Institution E** to quickly collect and combine all report files into a single document.
- **Survey tools** such as Qualtrix collect beneficiary information for population into databases.
- **An external printing vendor** merges report information into the template and produces the reports for **Institution G**. Administrators in the communications office employ the vendor for other promotional materials.

Educate Beneficiaries about Stewardship to Increase Participation

Contacts report difficulty engaging students in stewardship activities; only 13 undergraduate students responded to the beneficiary information survey at **Institution B** in 2013. Many undergraduate students do not understand the source of their financial support and so do not write thank-you notes to donors. Donor response surveys show

that donors appreciate student profiles, however, and frequently request additional biographical information.

Strategies to Increase Student Participation in Stewardship Activities

Less Investment



Identify Named Scholarships on Financial Aid Award Letters

Contacts report that recipients of named scholarships respond more often to stewardship requests because the named fund humanizes the aid source. Financial aid letters identify grants from named funds within individual students' financial aid packages.



Request Information through the Financial Aid Office

Donor relations staff contact students to request beneficiary information and thank-you notes through the financial aid office. Financial aid staff at some institutions portray stewardship as a condition of receiving financial aid so that students view participation as obligatory.



Offer Orientation Sessions on Stewardship Obligations

Some contacts are considering orientation sessions about scholarship funding and recipient obligations for first-year scholarship recipients and parents. Students who understand the source of their funding may exhibit greater willingness to participate in stewardship activities.



Create Student-Facing Websites to Share Donor Information

Similar to the Celebration of Scholarships website at the **University of Maryland**, scholarship fund websites at **Institution C** provide a space for donors to share messages to students, biographies, and information about scholarship funds. Financial aid staff direct scholarship recipients to the appropriate fund website.

More Investment

Outcomes

Administer Donor Surveys to Gauge General Donor Satisfaction

Stewardship administrators in many donor relations offices do not maintain formal effectiveness metrics but receive donor feedback anecdotally through fundraisers or donor relations conversations. Donor surveys represent more formal indicators of donor satisfaction. Donor relations administrators include mail-in surveys with donor reports every three-to five-years. Contacts report generally low response rates but primarily positive feedback. Typically, surveys ask broad questions to gauge donor satisfaction with the content and distribution frequency of endowment reports. Donor relations staff at **Institution F** plan to include athlete portraits rather than stock athletic photos in reports in response to donor requests for more information about athletic scholarship recipients.

Sample Donor Satisfaction Survey Questions³

	Strongly Agree	Agree	Slightly Agree	Disagree	Don't Know
Overall, this endowment report was useful to me.	☐	☐	☐	☐	☐
The information in this report is presented in a clear, concise way.	☐	☐	☐	☐	☐
The overall format of the annual stewardship report is understandable.	☐	☐	☐	☐	☐
I am satisfied with my communication with the university regarding my endowed fund.	☐	☐	☐	☐	☐

The general endowments brochures at **Institution H** include an appeal code through which donors can make additional contributions. The code allows donor relations staff to track when and how donors respond to appeals submitted with report information. Contacts report that brochures may encourage further giving for major donors, but do not impact donors who give below the \$500 level.

3) Lynne Wester, "Surveys," *Donor Relations Guru*, accessed 3 October 2014, <http://www.donorrelationsguru.com/#!/surveys/c1cmr>.

4) Research Methodology

Project Challenge

Leadership at a member institution approached the Forum with the following questions:

- What format do administrators employ to report contribution impact to donors?
- What content do administrators include in donor reports? What types of activity do donor reports detail?
- How do administrators produce donor report content?
- To what extent do report content and format change across the life of a gift?
- Do administrators establish gift thresholds for donor reports? If so, how does the threshold determine the level of detail and content of donor reports?
- To what extent do thresholds vary by fund or gift type?
- How frequently do administrators create and transmit donor reports? To what extent does the frequency of reports vary by donor or gift type?
- What time periods do donor reports detail?
- How many endowed funds do institutions maintain? How many current use funds do institutions maintain?
- What staff resources are required to support reporting and high-level donor stewardship functions?
- How do administrators divide responsibilities for reporting and high-level donor stewardship functions? Do administrators outsource reporting or stewardship function to other offices or external partners?
- How are reporting and high-level donor stewardship functions funded?
- To what extent do administrators collaborate with other institution offices to produce donor reports?
- At what point in a gift's lifecycle do administrators initiate donor reporting? At what point in a gift's lifecycle do administrators cease donor reporting?
- How do administrators determine report recipients? What process do administrators follow if a primary donor passes away?
- What metrics do administrators consult to determine report success? To what extent do success metrics motivate changes to report format and content?
- What challenges do administrators encounter with donor reporting initiatives? How do administrators respond to challenges?

Project Sources

The Forum consulted the following sources for this report:

- EAB's internal and online research libraries (eab.com)
- The Chronicle of Higher Education (<http://chronicle.com>)
- National Center for Education Statistics (NCES) (<http://nces.ed.gov/>)
- Wester, Lynne. "The Great Stewardship Report Swap." *Donor Relations Guru*. Accessed September 10, 2014. <http://www.donorrelationsguru.com/#!/stewardship-report-swap/czae>

The Forum interviewed administrators who oversee donor relations at institutions with centralized donor relations units.

A Guide to Institutions Profiled in this Brief

Institution	Location	Approximate Institutional Enrollment (Undergraduate/Total)	Classification
Institution A	Northeast	4,200/6,300	Research Universities (very high research activity)
Institution B	South	7,700/14,200	Research Universities (very high research activity)
Institution C	Northeast	4,500/11,000	Research Universities (very high research activity)
Rensselaer Polytechnic Institute*	Northeast	5,400/6,700	Research Universities (very high research activity)
Institution D	South	3,900/6,500	Research Universities (very high research activity)
Institution E	Pacific West	7,000/19,000	Research Universities (very high research activity)
University of Maryland*	Mid-Atlantic	27,000/37,000	Research Universities (very high research activity)
Institution F	Midwest	8,500/12,000	Research Universities (very high research activity)
Institution G	Pacific West	18,000/40,000	Research Universities (very high research activity)
Institution H	Mid-Atlantic	16,000/24,000	Research Universities (very high research activity)
University of Washington*	Pacific West	30,000/44,000	Research Universities (very high research activity)

Source: National Center for Education Statistics (NCES)

*Information in report derived from past EAB research