Best Practices for Engaging and Stewarding Donors who Contribute to Scholarship and Student Support Funds

A guide created by Oregon State University's
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Introduction

Philanthropy is increasingly important to ensuring student access and success across Oregon State University. The financial support provided by contributions to scholarships and other student support funds from foundations, companies, family, friends and alumni can be the determining factor in whether students persist to graduation or even in whether they choose or are able to attend the university. As educational costs continue to rise and state funding remains stagnant or declines, the realization of the university's mission requires building philanthropic support.

University units play a key role in growing and maintaining the relationships with organizations and individuals who can provide this support. Donors give because they care about or are invested in the success of Oregon State, its students and the university's educational, research and outreach efforts. Though the OSU Foundation has primary responsibility for fundraising, the impact and importance of contributions are often best conveyed by staff, faculty and students in university units. Together, campus units, foundation development officers and stewardship staff should collaborate to make sure donors and/or their family members are stewarded well for their gifts. A shared understanding of the role of philanthropy in the university's success is the foundation for building long-lasting partnerships between the university and its community of supporters.

"Stewardship" means the effort invested in cultivating relationships with donors and other supporters. The goal of stewardship is to convey impact and appreciation, build investment and provide opportunities to connect with the university's programs and students. The intent of this guide is to describe best practices that will help university staff and faculty manage and create stewardship activities, specifically for donors to scholarship and student support funds. These guidelines are based on the OSU Foundation's understanding that strong stewardship practices should be "rooted in creating and growing authentic relationships, where donors know the impact of their gifts and recognize their essential role in the life of students and the university" and begin with the following assumptions:

- Donors care about students and the institution.
- Donors want their money to be awarded to support students in accordance with the guidelines stipulated in gift agreements.
- All else being equal, donors would like to maximize the funding that is available to be spent every year.

In many units, multiple staff and faculty members, in addition to OSU Foundation staff, will contribute to stewardship activities, and an important first step in good stewardship is understanding and clarifying roles and responsibilities. The organizational structure of each unit may be different, but all stewardship activities can benefit from collaboration across every dimension of a gift's path, from donor meetings, to communications activities, to scholarship administration.[1]

Developing a Stewardship Plan

Building strong relationships with a community of donors and other program stakeholders requires an investment of time and resources. Creating a **stewardship plan** will facilitate the establishment of procedures, the development of an engagement schedule and the identification of responsibilities, leading to organized and efficient stewardship practices.

Each unit's stewardship plan will vary, but it is helpful to be clear in the plan about the goals and objectives of stewardship, the schedule of engagement activities and roles and responsibilities. Refer to the *Stewardship Timeline* for guidance on the different types of activities involved in stewardship, when they ideally occur within

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[1] While understanding how scholarships can be awarded and awarding them properly, according to law and donors' expectations, is a key part of stewardship, this guide will not focus on that element of the scholarship process. Additional information regarding the administration of scholarships is available in the *Guidelines for the Awarding of OSU Scholarships*.

the annual calendar and the division of responsibilities between the university and the foundation. See the *Donor Relations and Stewardship 3-Year Plan* for a model of a unit-level stewardship plan.

Donor Engagement Lifecycle and Donor Continuum

Stewardship activities are ongoing and continuous. The **Donor Engagement Lifecycle** outlines the steps involved in building, cultivating and perpetuating a supporter's investment in a unit. In the OSU Foundation's model, donor engagement moves from "Recruit/Inspire," to "Learn" and to "Engage," culminating in a gift "Ask" and "Thank." This cycle is then repeated, maintaining donor enthusiasm and affiliation over time.

Different kinds of engagement activities are associated with each step in the lifecycle, and movement through the lifecycle is usually contingent upon successful implementation of the preceding steps. Examples of activities that might be associated with engaging donors at each step are:

- **Recruit/Inspire**
    - Social media engagement
    - Student speakers at university events
    - Reunions or tailgaters
- **Learn**
    - Newsletters or print magazines from unit
    - Unit website detailing programs, activities and giving/support opportunities
    - Invitations to unit events with program leadership and students
- **Engage**
    - Participation in unit leadership groups
    - Direct involvement with students (e.g., coffees, mentorship programs, internship hosting)
    - Individual meetings with unit leaders and/or development officers
- **Ask**
    - Invitation to participate in giving day or other campaigns
    - Development of a gift proposal (in conjunction with OSU Foundation representatives)
- **Thank**
    - Call, letter/email or other donor appreciation materials from unit head and/or OSU Foundation representative
    - Note from scholarship recipient or conversation/call with scholarship recipient
    - Donor recognition event

Although different donors may begin at different points in the lifecycle, a gift is typically the product of a historical process of engagement, and future giving is generally inspired by offering donors ongoing opportunities and information that educates and connects them to a unit, its vision and its students. Stakeholders who are highly

informed and invested in programs are not only more likely to contribute financially, they also can offer other forms of support – expertise, connections and mentorship, for example – that can advance unit goals.

Each unit may define the steps in the engagement lifecycle differently, but categorizing donors and prospective donors according to where they are within the lifecycle of engagement at any time can help drive and individualize engagement efforts and strategies in scalable ways. Management of this process requires tracking, and units may consider developing a method of recording donor engagement and engagement history in consultation with the OSU Foundation. For an example of one implementation of a lifecycle approach to donor engagement and stewardship, see the *Managing Donor Relations Using a Continuum Model*.

Processing the Gift

Giving, whether financially or of other resources, is the fulcrum of the stewardship cycle. Potential donors should be presented with a variety of easily accessible opportunities to give that can be customized according to interests and capacity. The OSU Foundation receives all financial donor gifts to the university, and any solicitations or asks should be coordinated with foundation staff.

Receiving the Gift

Many units and programs ask for gifts from alumni, friends and donors on their websites, through annual solicitations and in newsletters. Your website should have an easy-to-find "giving" webpage that includes the following information:

- How to give by mail: Checks should be made payable to the "OSU Foundation," with the scholarship or student support fund name and fund number (if known) indicated in the check's memo line, then mailed to:

  > OSU Foundation
  > 4238 SW Research Way
  > Corvallis, OR 97333-4015

- How to give by credit card through a secure online form: A link to a customized OSU Foundation online giving form can be created with fund designation information or options pre-selected by the unit in coordination with OSU Foundation digital communications staff or a unit's development officer. If a unit does not have a customized link, donors can be directed to the OSU Foundation's general giving page and instructed to select the unit or indicate the purpose of the gift on the form.
- Contact information for an OSU Foundation liaison in case the donor has questions or would like more information.

When correctly designated, gifts sent to the foundation will be posted to the appropriate fund, and all pertinent enclosures for the administering unit will be forwarded once the gift is processed.

If the unit receives a check from a donor, it should be forwarded to the OSU Foundation. Processing of checks made out to the university or the unit instead of the foundation may take longer.

Establishment of New Funds or Specification of Gift Criteria

Some donors may wish to establish new funds or attach specific requirements to their gifts. The OSU Foundation is responsible for creating new scholarship and student support fund documentation and should be involved in all discussions about gift purposes.

When developing fund or gift criteria and language, keep in mind the following important guidelines:

- Some gift restrictions are not permissible by law. If there is any doubt about specific awarding language, consult with the OSU Scholarship Office and/or the Office of the General Counsel.
- Overly-restrictive eligibility requirements or scholarship awarding parameters (value and/or number of

scholarship awards) can result in funds remaining unawarded. Encouraging the broadest eligibility requirements, while still meeting the donor's wishes, will provide units with the flexibility to spend funds appropriately.

- A donor should have realistic expectations about the impact of their gift. It may be helpful to make sure that a scholarship can be awarded to the desired number of awardees in the desired amount before agreeing to gift language.

More information regarding appropriate eligibility criteria and awarding guidelines for scholarship and student support funds can be found in the *Development Officer Guidelines for Creating Scholarships*.

Administering the Fund

Gift Acknowledgement

Prompt recognition of a donor's gift is an essential component of good stewardship. Donors want to know that their gifts have been received and will be put to their designated use. The OSU Foundation sends a tax receipt for every gift, as well as a separate gift acknowledgement depending on the specifics of the gift (e.g., gift amount, type of gift, etc.). More detailed information is available in the *Gift Acknowledgement Summary* and *Sample Donor Tax Receipt*.

University units are encouraged to develop their own processes for acknowledging gifts in addition to the acknowledgements provided by the OSU Foundation. Examples of thank you letters and other gift acknowledgements are available in *Sample Donor Thank You Letters*. Personalized acknowledgements from an individual or individuals, such as the unit head and/or the scholarship recipient, with detailed information about the specific impact of the donor's gift(s), can help demonstrate value and build connection with the unit.

In order to facilitate timely acknowledgement, a staff member or staff members in the unit should have access to reports listing new gifts. Contact the finance team at the OSU Foundation to learn about these reports.

Donor Recognition

Thanking donors for their gifts is one way of demonstrating appreciation for philanthropic support, but other forms of recognition can also build and develop relationships that will inspire continued investment in the university. The OSU Foundation recognizes donors at events, in publications, on the OSU Foundation's website and through recognition societies.

University units also might consider nominating donors for an award or recognition, featuring them in a publication or online profile or celebrating their contributions at a donor recognition event. Membership in leadership advisory groups can also acknowledge the value of a supporter's partnership while providing an opportunity for further engagement with the unit. Before publicizing a donor's name, university units should confirm that the donor is comfortable with this form of recognition. See *Donor Recognition Groups* for additional details.

Fund Utilization

Donors establish scholarship and student support funds with the expectation that their gifts will be used, and an important component of stewardship is striving to award all available funds each year to eligible students.

University units must comply with all eligibility criteria (e.g., undergraduate chemistry majors with a minimum 3.00 GPA) and awarding parameters (e.g., one award of $1,000) described in the donor's gift agreement. An OSU Foundation development officer has worked closely with the donor to include only selection criteria that are

acceptable to the administering unit, are permissible by law and comply with university policies. Donors are discouraged from including overly-restrictive eligibilty requirements or scholarship awarding parameters (value and/or number of scholarship awards) that can result in funds remaining unawarded. Utilizing the broadest eligibility requirements, while still meeting the donor's wishes, will provide units with the flexibility to spend funds appropriately. Units may not apply additional or different eligibility criteria or awarding parameters without the donor's prior approval and the execution of appropriate documentation in consultation with the unit's assigned development officer. If the unit is unsure about the eligibility criteria and awarding parameters, electronic copies of gift agreements and other donor documentation are available for review in the OSU Foundation's Financial Edge system. Any questions not resolved by referencing the gift documentation should be referred to the foundation's stewardship team or the unit's development officer. More information regarding appropriate eligibility criteria and awarding guidelines for scholarship and student support funds can be found in the *Development Officer Guidelines for Creating Scholarships*.

Units are encouraged to proactively identify alternate award recipients during the initial selection process. If units have not selected alternates in advance, they are strongly encouraged to review the original pool of eligible students to re-award any funds that become available if an original recipient becomes ineligible.

Fund balances and utilization should be reviewed by units both before scholarship recipient selection and after awarding to identify unused funds. The OSU Foundation conducts its own review, as well, and will contact units if funds are not being used. Full utilization of all available funds supports donor stewardship efforts by demonstrating the need for and impact of scholarships and student support funds. Donors may be reluctant to provide additional gifts when those already given have not been awarded efficiently and in compliance with the gift agreement. If criteria in the gift agreement are making a fund impossible or impractical to use as the donor intended, the unit's development officer should be consulted so that appropriate steps are taken to amend the criteria.

Demonstrating Impact

Almost all donors who support scholarships and student support funds do so because they care about student access and success. Demonstrating that gifts are making an impact on individual students' lives is a key part of maintaining a donor's long-term connection to the unit and encouraging their continued support.

Student-Submitted Stewardship Materials

Donors frequently enjoy hearing about the impact of their gifts directly from the recipients of the scholarships they support. In addition to thank you letters, some university units ask award recipients to submit photographs, biographical statements, resumes and/or responses to pre-determined short answer questions. Units also might consider sending donors short student videos or arranging meetings between students and donors, either in person or virtually.

The OSU scholarship management system (OSU ScholarDollars) is the only campus-wide system currently available that includes the functionality to request and collect stewardship materials from scholarship recipients, but university units are welcome to also request student-submitted stewardship materials through processes external to OSU ScholarDollars if that is more appropriate for their processes. Regardless of how stewardship materials are collected, units are required, under FERPA, to obtain prior written consent from students before sharing materials with any third party, including a donor. Please note that students must be allowed to give or revoke permission for such a release at any time (see *FERPA and Consent to Release* below). Without such permission, donors can only be provided with general information about award recipients that does not contain details that allow for identification of specific individuals. For instance, donors could be informed that an award recipient is a third-year chemistry major from Oregon, since the number of OSU students who fit that description is quite large. Donors could not, however, be told that the award recipient was the 2019 valedictorian at a specific high school, since only one student is likely to fit that description. If there is any question about what student information can be released, consult with the OSU Office of the Registrar.

It is never advisable to provide students with a donor's contact information or vice versa.

Donor Impact Reports

Even when receiving stewardship materials directly from scholarship recipients, it is often advisable for units to review and compile information about gift impact to share with donors as impact reports, such as those in the *Sample Student Recipient Report* and the *Sample Student Support Fund Impact Report*. In such a report, student-submitted stewardship materials can be supplemented with a letter from a unit head and/or a summary report prepared by faculty or staff. For instance, experiential learning opportunities such as internships, student presentations at conferences and service trips that have been supported by donor contributions might best be summarized by a faculty or staff member. The OSU Foundation stewardship team requests reports such as these from units each spring and forwards them to donors as soon as they are received. Keep in mind that FERPA requirements for consent pertain to any student testimonials or accounts that might be included in these reports.

Donors who establish endowed student support funds will also receive the OSU Foundation's annual endowment report. This includes information about the foundation's endowment as a whole, as well as specific information about the individual endowment account in which the donor has an interest (see the *Sample Scholarship Endowment Report*).

FERPA and Consent to Release

In accordance with Family Educational Rights and Privacy Act (FERPA) of 1974, the Oregon Revised Statutes and the Oregon Administrative Rules, OSU and the OSU Foundation are required to obtain prior written consent from award recipients before releasing their protected information to any third party, such as a donor. Although FERPA does permit the release of "directory information" without prior consent, the OSU Office of the Registrar has determined that scholarship and student support awards are not considered directory information, and therefore no personally-identifiable information about an award recipient may be shared without obtaining a student's written consent in advance (see *Sharing Award Recipient Information*).

University units are required to request and document student authorization to release their personally-identifiable information for each scholarship award the student receives and for every release of information. If consent is assumed to be implied and is not documented in writing, the university could be subject to legal action if the student later files a complaint stating that their information was shared without permission.

At OSU, the Office of the Registrar is responsible for interpreting FERPA as it relates to the release of student-level data, so in situations where the operational requirements associated with FERPA and the sharing of student information are unclear, award administrators are encouraged to consult with the Office of the Registrar for guidance.

Summary

This best practices document is intended to provide a set of guidelines for the development of unit-specific stewardship practices. Each unit's supporters and donors have unique interests and characteristics, and unit strengths, needs and communities should shape engagement messaging, strategies and tactics. At the same time, it is important to remember that each unit's stewardship programs are a subset of the university's and are connected to activities across Oregon State University and at the OSU Foundation. Working with the OSU Foundation on the timing or content of stewardship messages and activities can help in avoiding conflict or duplication of efforts. And, beyond this, connecting with peers in other units can lead to the development of new ideas and partnerships.

While resources and other factors will influence a unit's stewardship plan and activities, a successful stewardship program usually includes the following elements:

- Staff members understand their role in the stewardship process and work in coordination with one another.
- Stewardship activities are ongoing, cyclical, and follow a regular schedule.
- Information and updates about the unit and its students are accessible to community members.
- The unit offers a set of opportunities for supporters to engage with its programs and students.
- Units establish stewardship goals and track progress toward meeting those goals.
- Instructions on how to provide support or make a gift are straightforward and easy to find.
- Gifts are promptly acknowledged by the unit.
- Funds are effectively utilized according to donors' expectations and directives.
- Donors are provided with information and recognition that conveys the impact of their support and the value of their partnership.

Successful donor stewardship requires time, commitment and investment from university units and the cultivation of strong working relationships with OSU Foundation staff, but this investment can yield significant, even essential, dividends. Building long-term relationships with donors and prospective donors is the foundation for developing scholarship and student support resources, both now and in the future, and, at the same time, an engaged community of supporters can open up new programmatic opportunities and support networks for faculty, staff and students.

Additional Information

If you have further questions about OSUF's policies and procedures as they relate to donor relations and stewardship, please contact the OSUF Stewardship Team at the OSU Foundation at 541-737-4218 or OSUFDonorRel@osufoundation.org.

If you have additional questions about OSU's policies and procedures as they relate to scholarship administration, please contact the OSU Scholarship Office at 541-737-1125 or scholarship.office@oregonstate.edu.

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