



Recognition and Acknowledgement

There are a hundred ways to thank a donor, small ways and big ways. The organizations and institutions that recognize the long-term benefits of donor recognition and reward are able to develop significantly stronger financial development programs than those that do not. Thanking donors in a variety of thoughtful and meaningful ways is the purest form of cultivation and the very best way to ensure the long-term success of any financial development program. It is a basic life truth that everyone appreciates recognition and thanks for a job well done. This is especially true in the field of philanthropy, where donors want and need to feel as though their support can make a positive difference in the life of others and that they are *important* to the organizations they support.

Powers Young & Company believes that recognition and reward can take many forms and that successful campaigns incorporate as many special “thank you” methods as possible. Adoption of a formal acknowledgment recognition policy is highly recommended. Some of our other recommendations are listed below:

- ❖ As soon as possible after receipt of a gift, the donor should receive a proper acknowledgement letter. Internal Revenue Service rules require non-profit organizations to provide “substantiation” for each gift of \$250 or more; a canceled check is no longer adequate evidence that the gift was made. Sending a substantiation letter creates an opportunity to initiate a series of positive experiences for the donor. A letter of acknowledgement should mark the beginning of the cultivation process, not the end.
- ❖ Speed of delivery of the letter of acknowledgement is a key recognition factor and is one that requires discipline and constant monitoring for many organizations and institutions. It is Powers Young & Company’s recommendation that a 48-hour policy be adopted and adhered to.

- ❖ Quality of the letter content, signature and overall appearance make a big difference to the donor. Personalization is everything when it comes to donor recognition and time taken to “craft” thank you letters to donors can lead to outstanding results.
- ❖ Multiple thank you letters are an excellent idea, particularly for gifts of \$1,000 or more. Donors appreciate receiving a formal letter of acknowledgement from the chief executive officer *promptly* after making a contribution. They also welcome other notes and letters that may come from board members, financial development officers and perhaps someone who has reaped the benefits of their support (a scholarship recipient, junior achiever etc.). There is no better way to engage a donor in the work of an organization than by demonstrating to them that their gift, indeed, *makes a difference*.
- ❖ Pick up the phone and call. Many organizations follow up their letters of acknowledgement with a personal phone call. It is always appreciated and doesn't have to be limited to major gift donors. Donors with a long history of annual support sincerely appreciate knowing that their annual gift is appreciated. Many organizations utilize board members who may be reluctant to participate as gift solicitors, as gift appreciators with a simple phone calls. Donors like to hear from the board and board members get to hear what motivates the donors.
- ❖ Take them out to lunch or dinner just to thank them. In our quest to reach campaign goals it is easy to forget someone who has made a gift and instead focus on securing the next gift. The time and effort that goes into simply thanking donors in a special way will reap rewards for an organization for years to come. Arranging a special luncheon or dinner party provides endless opportunities to develop long lasting relationships with donors. Consider special dinner parties for donors who make the “top 10” gifts on the campaign gift chart.
- ❖ Ask donors to talk about their reasons for contributing at meetings and events of the organization. The board of directors will be inspired and motivated to learn what reasons have prompted support of the organization. Putting donors on the agendas for board meetings, special events and other group activities elevates the importance of a donor and ensures their continued participation.
- ❖ Recognize donors in the campaign printed “updates” and other publications – even in the personalized proposals.
- ❖ Mementos of appreciation are very nice but nothing takes the place of one-on-one communication. Talk to your donors often and regularly. Do not simply appear when you need a gift from them!

- ❖ Make use of existing donor gift clubs and commemorative gift opportunities. It is one thing to put up a commemorative gift plaque in recognition of a donor's level of support. It is another thing altogether to conduct an annual recognition event in honor of these donors. Annual recognition events that are conducted simply to recognize the contributions of significant donors provide an excellent way to thank donors – and again, ensure their continued support.
- ❖ Cumulative giving clubs, whereby a donor's cumulative gifts to an organization entitle them to special recognition benefits are an excellent way to reward smaller donors who have contributed annually for many years.

This list merely scratches the surface with respect to the myriad of ways that donors can be recognized and rewarded for their support of an organization. As with all aspects of a successful capital campaign, or of any campaign for that matter, it is essential that recognition and reward be integrated in a thoughtful and consistent manner. Encouraging the ongoing support of donors and building that ever important pool of cultivated donor prospects depends on the efforts of the campaign director to integrate and implement these practices.