How to Create a Donor Stewardship Program to Boost Retention
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ABOUT NETWORK FOR GOOD

Since 2001 Network for Good has been instrumental at helping tens of thousands of nonprofits raise more funds by engaging supporters and donors in a more meaningful and impactful way. Refreshingly easy to use Donor Management Software, Fundraising Pages, and Personal Fundraising Coaches provide nonprofits with a complete fundraising solution, reducing their need for disparate systems, saving them time and enabling them to raise more funds to support their mission.
Most nonprofit organizations depend on the generosity of donors for some (if not all) of their funding. In order to continue doing the work you do, you need to keep donors happy and engaged. But in a world where donors have multiple demands on their money and attention, this task can be challenging for nonprofits.

Donor stewardship builds a sense of partnership for your donors, shows your appreciation, and gives donors confidence that your organization is using their gifts to make an impactful difference.

The goal of donor stewardship is to foster committed engagement and an ongoing investment that increases over time. It starts with the very first interaction a donor has with your organization, and with the information in your donor management system (DMS), continues throughout the long-term relationship. Donor stewardship ensures that the donors’ expectations are met (and exceeded).

In this guide, we’ll show you how to create a donor stewardship program, how to implement it, and best practices to follow. At the end of the guide, you’ll find a handy checklist that you can keep for reference as you’re creating your plan.
5 Stages of Donor Stewardship

First, let’s get a bird’s eye view of donor stewardship and the five stages that make up the process.

1) Gift Acceptance

Often, when a donor makes a gift, she or he has certain expectations for how the money will be used. When the gift is intended for a specific program or project, or in memoriam of someone, you’ll want to make sure those intentions are honored. Have policies and procedures in place to ensure gifts go where donors want them to go.

- Create a structure for giving opportunities with a variety of levels and designations to make it easy to classify gifts.
- Review each gift to ensure it can be used the way the donor intends.
- Develop a policy for how gifts will be handled if they can’t be applied the way donors expected.
- Have a procedure for gift tracking so you can easily follow how each gift was used.

Tip: Use your donor management system to tag each gift with designation details so you don’t have to spend time later hunting down this information.

2) Acknowledgement

Each gift should be immediately followed by a thank you, but that’s only the beginning of the acknowledgement process. Gratitude should be woven into the entire stewardship program. Getting creative with your acknowledgements can help donors feel truly appreciated and motivated to stay engaged with your organization.

- Send gift receipts in a timely manner, being sure to meet IRS requirements.
- Send a thank you letter immediately to recognize the gift.
- Follow up with an email, phone call, and/or visit (depending on the level of the gift).
- Brainstorm creative ways to convey gratitude, such as personalized thank you notes from clients, students, or others who have been helped by the gift.

Tip: Automate gift receipts and follow up with a personalized thank you to quickly acknowledge donors.
3) Donor Recognition

Recognition is a way of communicating gratitude, but it’s important to give it dedicated focus. The most important factor to consider with recognition is each donor’s preferences. Donors will have different desires and will find different forms of recognition meaningful. Some will prefer to be anonymous, while others thrive on public recognition. Use these ideas to prompt a brainstorming session around recognition:

- Host donor recognition events to cultivate relationships and encourage higher levels of giving.
- Feature donors in your organization’s newsletter, publication, or annual report. Profiles add human interest and celebrate donors.
- Create giving societies and honor rolls that offer tiered recognition and accompanying benefits.

Tip: Filter donors by gift amount and frequency in your DMS, to determine which donors would be right for different types of recognition.

4) Reporting—Communicating Results

Donors give because they care about your issue. They want to make a difference. When people can see the results of their gifts, they are more motivated to continue giving. For this reason, the reporting stage of a donor stewardship program is one of the most important.

Reporting to your donors includes two primary components:

1) **Storytelling**: Share personal stories about those who have been helped or impacted by the gift.

2) **Fiduciary Responsibility**: Be transparent with financial details to give donors confidence that the organization is using gifts responsibly.

Communicate results through:

- Campaign updates via email and direct mail.
- Featured stories in your organization’s newsletter, publication, or blog.
- Updates on social media channels.
- Case studies that highlight the community you serve.
- Impact reports that feature your successes and the change your nonprofit creates.
- Financial reports to increase transparency and build trust.

Tip: Email and direct mail makes reporting campaign and program updates simple.
5) Cultivation

The final stage of a stewarding program focuses on motivating the donor for ongoing or increased giving. Even though your goal is to increase funding, keep the emphasis on stewardship, not solicitation. View your communications from your donors’ perspective. Consider what they value and how they want to be approached. While you can weave cultivation strategies throughout your stewardship program, you’ll want to dedicate attention to it specifically after you’ve run through the first four stages. Incorporate these tactics to encourage deeper commitment to your organization:

- Share plans for the next stages of projects that donors have given to in the past, including your goals and what you need to be successful.
- Suggest related programs that donors may be interested in after giving to a particular need.
- Ask donors to spread the word about a project or program they’re passionate about via social media.
- Invite donors to an onsite event or tour to see the results of their gifts firsthand.

Tip: Analyze the data in your DMS about which projects and programs donors are currently supporting, and use this information to guide you on how to cultivate each donor.
How to Create a Donor Stewardship Program

Now that you have a vision for what a donor stewardship program looks like, let’s dig into how to actually create one.

Identify Donor Levels

While you want to demonstrate that you value each and every donor and gift, your organization only has so much time and resources to dedicate. And since a primary goal of stewardship is to generate more funding through deeper relationships, you’ll want to use your resources wisely. Additionally, you’ll need to use different techniques at different levels in order to move donors up to the next level of engagement.

The first step in creating a donor stewardship program is to identify the types of donors or levels of gifts that you’ll build your program around. You may want to get more granular in breaking down types and levels as your stewarding program grows, but these three primary categories are a good place to start.

New Donors: Most new donors start small. Many have just been introduced to your organization, and they’re not yet ready to make a major gift. Your primary mission with new donors is to build trust and instill confidence that your organization is a capable partner.

Loyal Donors: These donors have been giving to your organization for some time. They’re committed to your organization and give reliably to your appeals. Increase engagement and focus on building the relationship in order to cultivate these donors to give at higher levels.

Major Donors: Major donors are loyal donors that are fully committed to your organization and already give at a high level. Give significant attention to these donors to keep them engaged. Depending on the donor and the nature of the situation, you may want to consider inviting them to increase their level of giving.
Brainstorm Stewardship Techniques for Each Level

The next step in creating your program is to consider personalized stewardship techniques you can use that are appropriate to each level. Involve your entire team and get creative. Welcome any and all ideas for acknowledgement, recognition, reporting, and cultivation.

Sort your ideas and cull them down after the brainstorming session. Determine your organization’s capabilities, and your donors’ expectations about how they’ll be thanked and recognized with respect to their gift.

Use these techniques as your starting point:

- Process gifts within 24 hours.
- Send an immediate gift receipt that’s personalized to mention the specific campaign, project, or program that the gift is going to, and the impact it’s expected to have.
- Focus thank yous on the donor, and the issue or community that they want their gift to help.
- Use donor-centric language in communications.
- Include quotes from the recipients and beneficiaries of the programs and projects.
- Create giving societies with memberships to build a sense of community as well as recognition. Brainstorm perks that would accompany each society.
- Develop ideas for creative donor appreciation events.
- Send articles and other information of interest to your donors.
- Offer special volunteer opportunities for donors that want to get more involved.

Create a Strategy that Draws Donors Toward Higher Levels of Commitment

Commitment depends on relationship. To build donor commitment, you’ll need to build relationships with each of them. As you consider which donor stewardship methods to use at each level of giving and with each type of donor, focus on the relational element of your techniques.

This step should include invitations to become more involved with your organization, but it’s about so much more than that. Donors will feel the difference between interactions focused on relationship versus those focused on getting them to donate more money. It’s also important that you identify donors’ intentions, expectations, and motivations so you know how to best communicate and interact with them.
Craft Your Step-by-Step Plan

After all of this brainstorming and curating of ideas, it’s time to document what you’ve decided.

1) **Create specific processes, policies, and procedures to ensure your ideas get implemented.** Consider each step in the process and how your team will need to carry each one out. Anticipate roadblocks and decide how you’ll address them.

2) **Consider stewardship from the vantage point of the donor.** What should each donor experience at each stage in the process? Be as specific as possible.

3) **Determine how each of these experiences will be brought to life.** Who in your organization will be responsible for each task and action?

4) **Create a stewardship schedule that outlines at what points in the process each communication or event will occur.** Determine what parts will be automated and how much time should be allotted to each part.

5) **Document how you’ll communicate results to donors.** What reports will you create? How often, and where, will you publish them? How will you share them? Make this part of the plan public to your donors and prospective donors to increase transparency and accountability.

6) **Review and refine.** Based on your donors’ feedback, you’ll find ways to improve your stewardship plan. Schedule a regular review for your plan to ensure you’re incorporating input from donors.
Best Practices for Donor Stewardship

While there’s no one right way to run a donor stewardship program, there are several best practices that will help you create a successful program.

1) **Identify roles within your organization for the donor stewardship program.** Once your plan is created, decide which team members will “own” each part of the process. Ensure that team members are given adequate time to give their tasks the attention they deserve.

2) **Express true gratitude.** Always be focused on gratitude, since donors can easily sense when organizations are truly appreciative of their contributions.

3) **Listen to your donors.** Ask your donors what resonates with them. You’ll gain valuable insight, ideas, and be able to build a more effective program when you gain input from donors.

4) **Think more about quality than quantity of communications.** While quantity is important, no amount of communication can make up for poor quality or lack of personalization.

5) **Always connect with your mission. Your donors care about your mission—this is why they give.** When you stay connected to your mission and reinforce it in each communication and experience, your donors will be reminded of why they’ve chosen to partner with your organization.

6) **Follow up regularly.** If you allow too much time to pass in between communications, donors may not feel appreciated or may lose confidence in your organization.

7) **Engage with all donors at every level of giving.** Each donor is important. Be sure to recognize and express gratitude for every gift.

8) **Keep your focus on stewardship, not solicitation.** While fundraising is essential, keeping your focus on stewardship rather than solicitation will result in more commitment in the long run.

9) **Share stories.** Stories are how donors connect emotionally with the work they’re helping you to accomplish. While communicating numbers and statistics is important, sharing stories will boost the effectiveness of each part of your program.

10) **Take advantage of technology.** Creating and implementing a donor stewardship program takes time. Using technology to assist you in the process will save you valuable time and resources. Look for a donor management system with the following capabilities to help streamline the process:

   - Robust visual dashboard
   - Campaign management
   - Contact profiles with custom fields
   - Send and track email blasts
   - Mail merge and direct mail
   - Householding and relationships
   - Duplicate prevention and merging
   - Pledge management
   - Real-time activity feed
   - Simple query builder and segmentation
   - Task management and reminders
Donor Stewardship Program Checklist

There’s a lot to consider when creating your donor stewardship program. Use this checklist to ensure you’ve thought through all the details.

Stages of Stewardship

Gift Acceptance
- Create a structure for giving opportunities with a variety of levels and designations.
- Review each gift to ensure it can be used the way the donor intends.
- Develop a policy for how gifts will be handled if they can’t be applied the way donors expected.
- Have a procedure for gift tracking so you can easily follow how each gift was used.

Acknowledgement & Recognition
- Send gift receipts in a timely manner, being sure to meet IRS requirements.
- Send a thank you letter immediately to recognize the gift.
- Follow up with an email, phone call, and/or visit (depending on the level of the gift).
- Brainstorm creative ways to convey gratitude, such as personalized thank you notes from clients, students, or others who have been helped by the gift.

Reporting
- Send campaign updates via email and direct mail.
- Feature stories in your organization’s newsletter, publication, or blog.
- Post updates on social media channels.
- Produce case studies that highlight the community you serve.
- Share impact reports that feature your successes and the change your nonprofit creates.
- Publish financial reports to increase transparency and build trust.

Cultivation
- Share plans for the next stages of projects that donors have given to in the past.
- Suggest related programs that donors may be interested in after giving to a particular need.
- Ask donors to spread the word about a project or program they’re passionate about via social media.
- Invite donors to an onsite event or tour to see the results of their gifts firsthand.
Crafting Your Program

- Identify the types of donors or levels of gifts that you’ll build your program around.
- Brainstorm the communications and experiences each donor type should receive.
- Get feedback from donors on what they value and what resonates with them.
- Cull your list and prioritize ideas.
- Create a written plan detailing what you decided.
- Build a timeline that outlines when each communication and experience for each donor type or gift level should occur.
- Decide who in your organization will be responsible for each task.
- Ensure each team member is allocated the tools and time to give their tasks the attention they deserve.
- Think more about quality than quantity of communications.
- Always be connecting with your mission.
- Keep your focus on stewardship, not solicitation.
- Take advantage of technology.

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FUNDRAISING PAGES
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