

HIGH-IMPACT DONOR ENGAGEMENT

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BACKGROUND

- With the tripling of assets in the 1999-2001 timeframe, most of the new funds were donor-advised
- CFO correctly anticipated that engaging these new donors would be critical
- A two year donor engagement pilot was successful
- Growing realization that donor engagement is a key element of asset development and community impact
- A five year Donor Engagement Plan was designed and developed in 2006
- Implementation is currently underway

DEFINITION OF TERMS

- **Donor Services** – basic transactions such as gift receipting; acknowledgements and regular communications about the work of the Foundation (e.g., annual reports, Celebration event, etc.)
- **Donor Engagement** – the formal learning opportunities that engage and enable donors to make wise decisions about their giving to achieve impact and change

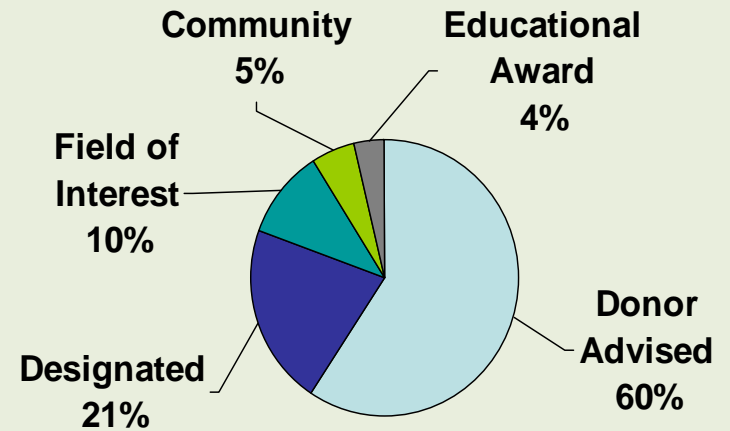
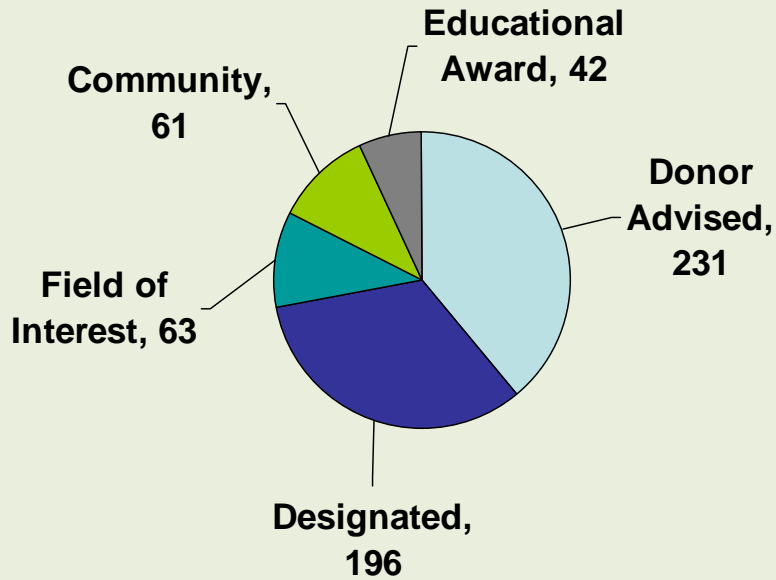
* Adapted from CFC's paper on Community Foundations and Donor Engagement: the opportunity and the issues, 2005

DEFINITION OF TERMS

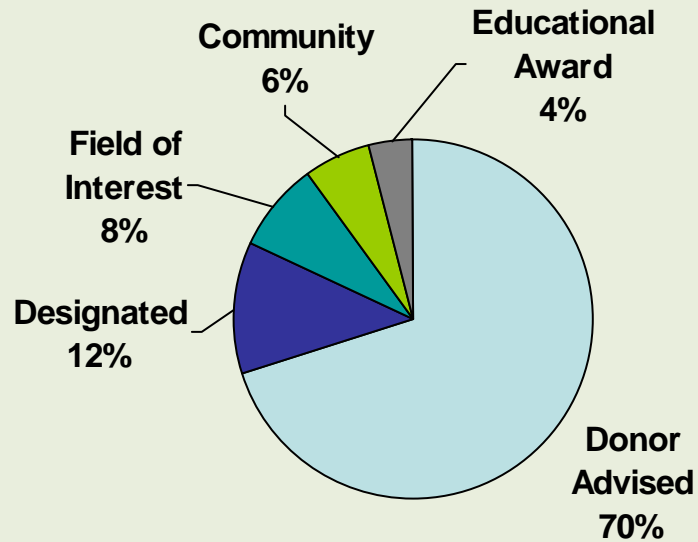
- **Transactional giving – focuses on securing the donor’s commitment to making a gift rather than on a values exchange (potentially diminishing the opportunity for donor connection and stewardship that could lead to long-term relationships and repeat gifts/referrals)**
- **Transformational giving – focuses on the impact of the gift and renewing the relationship, not just on the transaction of making the gift; often initiates and sustains significant transformation or change in the organization, in the donor and in the community**

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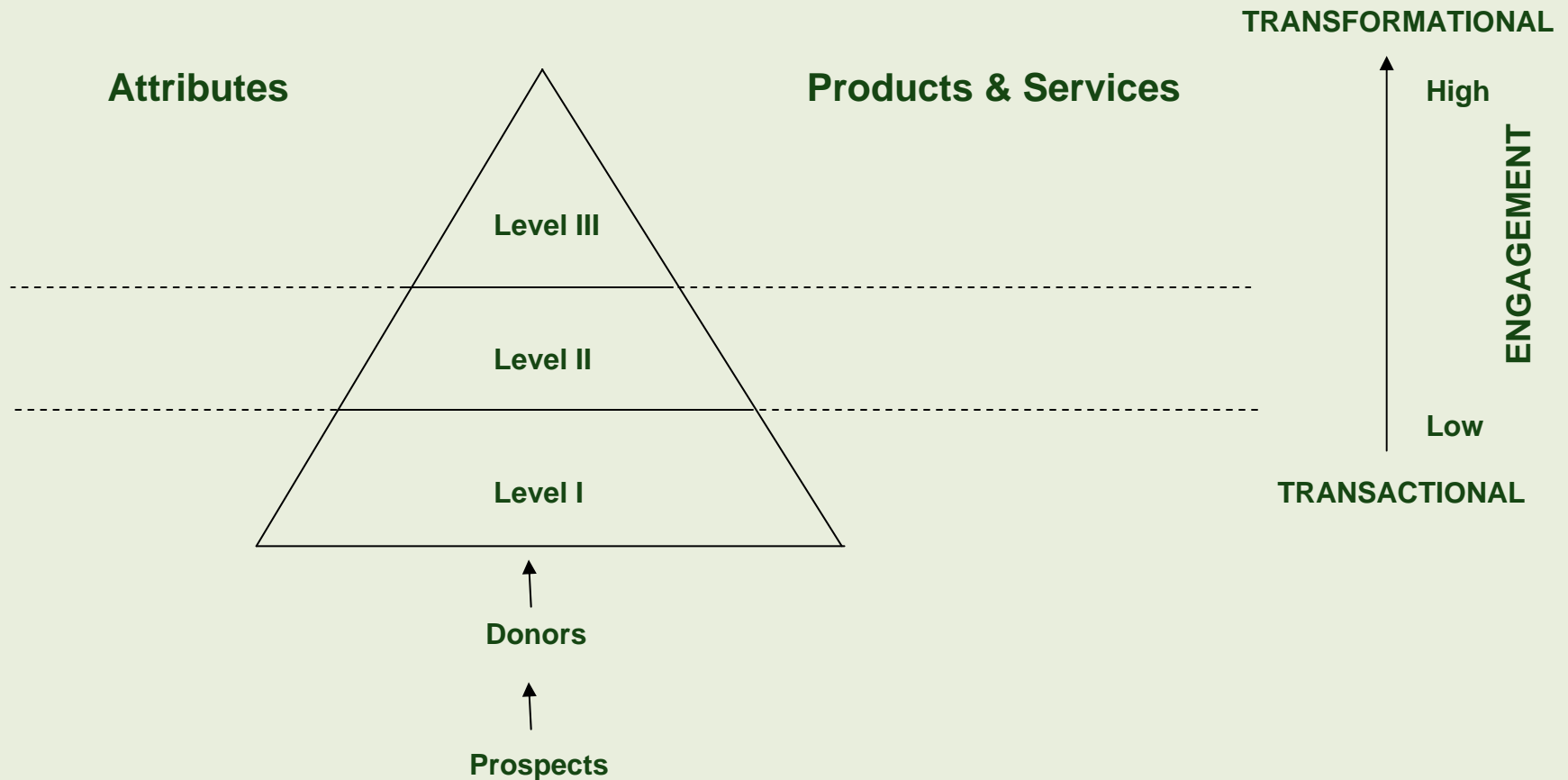
CFO FUNDS



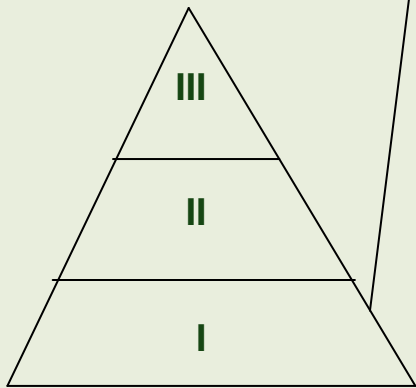
CFO GRANTS 2007 Funding Sources



PROPOSED FRAMEWORK FOR CFO MODEL OF DONOR ENGAGEMENT

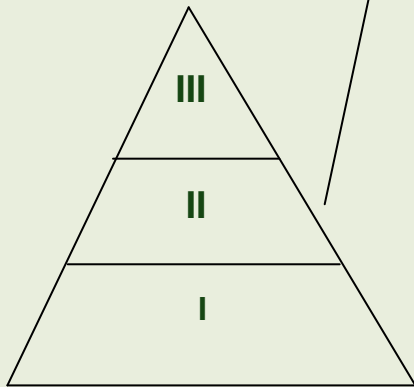


LEVEL I ATTRIBUTES



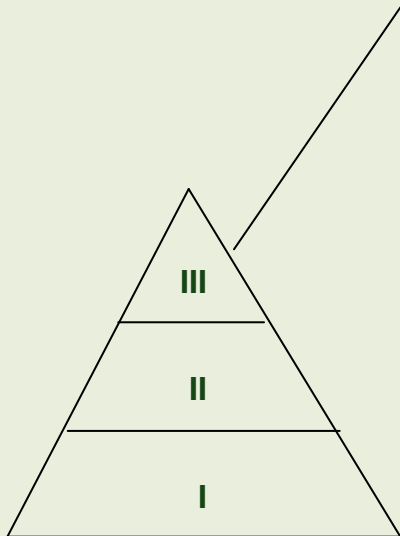
- Mostly DES donors but could be any type
- Donors with deferred gifts
- Size of fund irrelevant
- Primarily interested in stewardship and transactional excellence
- Little – no response to CFO grants and/or proactive grantmaking

LEVEL II ATTRIBUTES



- **Some DAF, but mostly FOI and UNR donors**
- **Funds at \$50K - \$100K level**
- **“Active” funds already (subsequent gifts; grantmaking; etc.)**
- **CFO Ambassador**
- **Ability/interest in growing their funds**
- **Open to some engagement (site visits; donor circles; learning and sharing knowledge)**

LEVEL III ATTRIBUTES



- Mostly DAF donors
- Funds at \$50K+ level
- “Active” funds already (subsequent gifts; grantmaking; etc.)
- Optimal candidates for “transformational giving”
- Most likely to benefit from high engagement
- Ability/interest in growing their funds
- CFO Ambassador
- Referral source for new donors
- “Influencer” or potential to be
- Open to active engagement (site visits; donor circles; etc.)
- Interest in learning and sharing knowledge, willing to mentor others
- Identified successor advisors
- Responsive to “high touch” donor relations
- Engaged grantmaker (either proactive or a funder of CFO grants)
- Already or interested in collaborating with us

MARKET RESEARCH FEEDBACK (2007)

- Level III donors, having more interaction with the CFO and higher fund amounts tend to be more opinionated on the Foundation:
 - Were more likely to report that the Community Foundation plays a very major role, or is the sole vehicle they use for charitable giving
 - Were more likely to talk about the fact that they feel connected to the recipients of their funds
 - Liked the grass-roots approach of the Community Foundation, and the flexibility with which the Community Foundation handles their requests
 - More likely to rate “selecting grantees from a list”, and “receiving a tailored list of grant-making opportunities” as very important
 - More likely to rate “anonymity” as very important
 - Identified some weaknesses; among those, the inability to donate capital, and requests to be more involved more often with recipients
- In contrast:
 - Level I donors were more likely to report they use the Foundation for a “limited and specific” role
 - Levels I and II donors were more likely to list “professional staff and administration” and “ease of administering funds” as the first item that they liked
 - Levels I and II donors were more likely to report that they could not think of any dislikes, or had not encountered any weaknesses of the Community Foundation

IMPLEMENTATION

- Donor Welcome kits
- Customized cover letters for annual fund reports
- Process for funding grants recommended by the Grants Committee
- Tailored grant proposals matching donors' interests
- Managing disbursements throughout the year
- Research and consulting
- Learning Forum
- Site visits

MIGRATION TO TRANSFORMATION: EXAMPLES OF OUTCOMES

- FASD
- Affordable Housing initiative
- Evolving relationships with donors
- Synergies with ENGAGE! and Ottawa's Vital Signs
- Effect on asset development

CAUTIONS

- Do not attempt this until you are ready!
- Align it with your CF's philosophy and resources
- Get buy-in across the organization because it affects and calls on everyone
- Maintain transactional excellence at all costs
- Manage expectations and execute accordingly
- Recognize when to assume upfront vs. "behind the scenes" roles with donors and grantees

WHAT'S NEXT

- Monitor and adjust
- Suspension of competitive grants program in 2009 means that DE will be key to community support
- Step up communications
- Maintain balance between organizational capacity/capability and donors' expectations

INTEGRATION ACROSS THE ORGANIZATION

