DIVISION DIRECTORS' TOOLKIT

Fostering a Culture of Philanthropy in Your Division

Philanthropic support can provide a stable platform for the operational needs of the division. However, organizing and sustaining a culture conducive to the needs of donors can be challenging. Similar to other components of the Division Strategic Plan (see Strategic Planning Module), a division director needs to assess available resources and infrastructure, and future opportunities and challenges in this domain. Components to consider in managing this aspect of your division include:

- **Institutional philanthropic infrastructure**
- **Development of a philanthropy plan**
- **Faculty agreement on strategies**
- **Identification of prospective donors**
- **Fundraising principles**
- **Stewardship**

Are You Familiar with the Appropriate Institutional Infrastructure?

- **Your academic institution** likely has a development office. There may be more than one office, for example, one for the university and one for the hospital and/or medical group.
- **Identifying the development officer** who is assigned to your division and building a relationship will not only help your division, but also promote your professional development in this domain. Some institutions strongly emphasize or require working with the development office on all potential philanthropic efforts.
- **Potential allies to include** in your development team are emeritus faculty, grateful patients/relatives, community physicians, and alumni.
- **Engagement, education, and "buy-in"** of current faculty/staff are essential to success.
- **A team to provide stewardship** of the gift is just as important as the development team.
- **Your institution and division administrator** will likely be involved in the fund management; however, you as the division head should express gratitude to donors and provide updates on the impact and tangible metrics of success resulting from their philanthropy.

Development of a Philanthropic Plan: Vision, Mission, and Goals

Effective philanthropy is focused on goals and measurable outcomes in a manner similar to other academic endeavors. Strategic philanthropy builds on best practices, identifies existing needs and gaps, requires research and analysis of issues, and targets emerging opportunities. Identifying funding priorities and articulating a compelling story creates interest and enthusiasm among potential and existing donors to invest in your division's future. Having a variety of opportunities in key areas might enhance the division's ability to align the passion and mission of each donor to that of your division.

Potential areas of need within the division could include:

- **Capital equipment**
- **Educational endowment (including endowed lectureships and fellowships)**
- **Funds for highly innovative research projects**
- **Endowed chairs**

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- **Large center projects**
- **Patient care initiatives**
- **Recruitment and retention of faculty**

Formulating a plan for gifts enables the division to be responsive to the donor's values and goals. Preparing tangible indicators and communicating measures of success reassures donors that their gifts are used wisely and make a difference. Naming rights for a laboratory or a center could be considered. Endowments to sponsor clinical or research training should be specified as such. In some instances, individuals may also wish to donate to rheumatology-related organizations outside of your institution. In that instance, referral to the Rheumatology Research Foundation or specific disease-focused organizations would be appropriate.

Identifying Prospective Donors

In the U.S., three-quarters of total philanthropic dollars are gifts from individuals, totaling $390.05 billion in 2016 (2.1% of GDP, reported by Charity Navigator). The most common reason for a donor to give is to make a difference in an area that is meaningful to them. Occasionally donors are identified through community outreach activities, but are usually identified through personal relationships and can include:

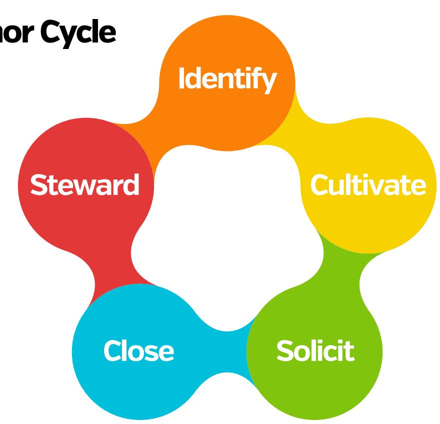
- **Grateful patients and family**
- **Corporations**
- **Community rheumatologists**
- **Alumni**
- **Family members of alumni**

Principles of inclusion, diversity, and cultural competency also extend to engaging a broad donor pool. The U.S. population is becoming more diverse and represents a blend of races and ethnicities. Your division should be reaching out in an inclusive manner and adapting to changing values and attitudes. Developing relationships to cultivate future gifts over a lifetime from a younger donor pool can potentially be as valuable as large gifts from more mature donors. Although major gifts may come from mobilizing high level support, it is also important to maintain base gifts and provide a balanced platform.

Fundraising Principles

Physicians, faculty, and key staff members benefit from education in communication with potential donors (e.g., listening to and picking up cues from patients who express a desire to help) and, when appropriate, offer them the opportunity to discuss their goals with a development officer. The most common reason for a donor to become engaged is to make an impact in an area that has personal significance to the donor. Understanding a donor's motivation may enable you to cultivate a gift toward an area that encompasses the donor's goals (e.g., innovative research, education, or capital equipment).

The Donor Cycle



- **Identify** the donor with interest and capacity.
- **Cultivate.** Introduction to fellows and other learners.
- **Solicit.** Set up a meeting with development officer outside of clinic.
- **Close.** Donor makes a donation.
- **Steward.** Continue to thank and update on the impact of the gift. Avoid "asking and leaving."

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Major donors have capacity and inclination and can be identified by the development office; however, most major gifts are established through personal contact and relationship building. Affluent people recognize that dollars are a tool to express gratitude, and philanthropy may be part of a healing process. Simple principles for donors of major gifts:

- **People give to people**
- **People give because they are asked**
- **People give in relation to the person who asks**
- **People are generous**
- **Giving often establishes a pattern of giving**

A key step for physicians, faculty, and other staff members is acknowledging a patient's gratitude and their expressed desire for greater engagement. The care that a patient received may be relatively routine or standard, but made an impact on their life. Patient cues begin with an expression of gratitude and statements of a desire to do something more and a wish to be involved.

How to respond to these cues:

- **Accept gratitude.**
- **Reinforce the desire to become engaged.**
    - "Would you like to do more for rheumatology?"
- **The best strategy to avoid ethical collapses and breaches of the patient-physician bond is to make a referral to the development officer outside of clinic.**
    - "If you like, I can have my colleague from the office of development give you a call to follow up/discuss this further."
    - Ask if they would like to meet with you and a development colleague in the future away from the clinic.
    - Consider including the potential donor in a development office-organized educational event in which divisional research activities are discussed.

Donors are most likely to achieve the greatest impact when they have defined their goals, and choose a giving strategy that is consistent with their goals (legacy gifts, endowments, annual gifts, etc.) Over time, as donors learn more about their areas of interest, they may take a more proactive, strategic approach to philanthropy, leveraging their financial resources for specific projects.

Institutional Philanthropic Fund Management

The development officer will be instrumental in closing the offer and should assist in crafting the language in the agreement that is conducive to using the gift as the donor intends within the framework of your institution. Knowing specific gift terms and using a description that accurately reflects the intent of the donor should be part of your education. The future use of funds may be restricted by the terms of the gift. The gift description may determine if it is directed to an endowment account that allows the use of the interest. Your institution may allow pooling of gifts for a project after a large keystone donation to achieve the target for the fund. After a gift is made, your fund manager or division administrator can assist in understanding the fund flow for these accounts. Your institution may have a separate foundation for philanthropic funds. These funds may need to be transferred, and there may be timing requirements and other transfer procedures.

Stewardship

Donors give in order to have an impact, and would like to know they were able to make a difference in an area that interests them. Communicating with donors and following up on the use of the funds and the return on their investment goes beyond reports.

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Principles of stewardship:

- **Maintain a respectful relationship.**
- **Do not fail to deliver on your project.**
- **Be honest and transparent with the use of the money.**
- **Keep donors informed on a regular basis regarding the success and impact of their funds in publications and other honors.**
  - Share stories of impact on your organization with donors and prospects regularly, rather than just 12 months after a significant gift is made.
  - Personal accounts from faculty teaching students, treating patients, etc., carry the most weight.
- **Recognize loyalty giving by celebrating first gifts, anniversary gifts (time), milestone gifts (amount), and completed pledges.**
- **Remember and acknowledge key milestones in donors' lives in a personal way, rather than simply sending a note card that can seem impersonal.**
- **Be prepared to be available for the donor's needs and those of their family.**
- **Honor the relationships rather than the gifts.**
- **Value loyal giving in addition to large giving.**

Donors may wish to become engaged with your division or institution beyond the role of investor. Major donors may wish to participate on an institutional director's board or be named in the annual report. Some donors can bring together community leaders, experts, grantees, funders, and creative thinkers to generate new ideas, build consensus around a shared vision, and share experiences and best practices. Others may wish to work as advocates for issues that are relevant to the projects that they fund.

RESOURCES:

1. Division Director's meeting March 2018 Chicago:
• Stephen A. Paget, MD, "Rheumatology Fundraising 101"
• David A Fox, MD, "Philosophical and Practical Aspects of Fundraising for a Division of Rheumatology"
• Paula Reed, "Building a Culture of Philanthropy at the Rheumatology Research Foundation"

2. "Philanthropy Outlook 2016 & 2017" from the Indiana University Lilly Family School of Philanthropy.
http://floridacommunity.com/wp-content/uploads/2016/11/Philanthropy_Outlook_2016_2017.pdf

3. Blackbaud Next Generation of American Giving Report
https://www.blackbaud.com/nonprofit-resources/generational-giving-report

4. Blackbaud Diversity in Giving Study
https://www.blackbaud.com/nonprofit-resources/diversity-in-giving

5. Blackbaud 2017 Charitable Giving Report
http://blackbaudinstitute.com/charitablegiving

6. http://nccs.urban.org

7. https://www.charitynavigator.org

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