SPG U-M Standard Practice Guide

Prospect Coordination

602.04

Applies to: All UM Staff/Faculty Engaged in Fund Raising

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I. Background

Private gifts have provided a significant portion of the University's resources for a number of years and must continue to do so in the future if Michigan is to prosper and fulfill its responsibilities and mission. The success of our efforts to secure large gifts in recent years has been due in large measure to the collaboration between the University's central administration, schools, colleges, regional campuses, units and volunteer leadership. A key factor in this cooperative process was the decision, made in 1983, to institute a University-wide system for the coordination of activity related to major gift prospects. This group generally consists of individuals and organizations thought to be capable of making a gift of $100,000 or more within a five-year period. These prospects are assigned to a development professional who serves as the prospect manager. More broadly, and in order to maintain a long-term program that is donor-centric in nature, coordination guidelines are necessary for donors at all levels.

II. Considerations and Assumptions

Prospective donors to the University are a significant institutional resource. To realize the highest benefit from this resource (while honoring the intent of the donor and their relationship to the University), University development activities must be conducted in the most effective way possible within the context of University priorities as they are determined by academic management under the guidance of the Provost and the President and adopted by the executive officers and the Board of Regents.

By encouraging open communications, collaborative planning, avoidance of duplication of effort, and by equitably resolving competing claims, prospect coordination helps ensure that the greatest possible return in support of the University's foremost priorities is secured from each donor. The policy applies to individuals, foundations, and corporations and to all solicitations, including direct mail, email, telefund, targeted social media, and other mass-market solicitations.

III. Guidelines and Procedures

The Vice President for Development is responsible for the operation of the prospect coordination process. While this policy speaks directly to development staff who must implement it, the coordination process includes consultation with University officers, deans and directors, key faculty and fundraising volunteer leadership to determine the most appropriate prospect assignments and solicitation strategies. In making these determinations, factors such as a prospect's giving history, demonstrated affinity, degree relationship to the University, and institutional contacts are taken into account. The primary consideration in prospect assignment is the probability of obtaining the largest possible gift in support of one or more University priorities.

1. Annual Giving

   Units may conduct annual giving solicitations via direct mail, email, telephone, targeted social media, and other mass-market methods in accordance with established university policies and best practices. Barring prospective donor requests to the contrary,

- Degree-granting units may solicit anyone with a degree conferred by their unit
- Additionally, any unit may solicit:
    - Anyone who has made a gift to their unit
    - Anyone with data that demonstrates affinity to their unit, including, but not limited to: ticket purchases, event attendance, current/past student activities, volunteer activities, patient activity, and/or regular use of a unit's particular resources.
        - Special initiatives and targeted fundraising efforts by units which may be considered to have pan-University reach will be evaluated on a case-by-case basis by the Vice President for Development or his/her designate.
        - Long-lapsed or non-donor alumni to degree-granting units may be solicited for broad institutional priorities through projects coordinated by the Office of University Development.

2. Major Giving

The Vice President for Development is responsible for policy oversight and data management related to all matters of major gift prospect coordination and tracking for the University. This oversight is, in general, functionally delegated to the director of Prospect Development and Analytics. To assist in the assignment of prospects, the director will routinely convene a committee of Office of University Development leadership and unit chief development officers to review assignment requests and to make a determination on the most appropriate assignment of prospect managers.

Major gift prospect coordination begins with the identification of a person, foundation, or corporation as a major gift prospect and continues as long as that individual or organization is believed to have major giving capacity. All development staff share responsibility for University-wide prospect coordination, including development staff of the schools, colleges, regional campuses, and other units, as well as the Office of University Development. The obligation to participate in the prospect coordination process necessarily includes:

- Rating and adding the names of newly identified major gift prospects.
- Requesting prospect manager or team assignments of specific prospects.
- Documenting planned and completed interactions and solicitation strategies with prospects.
- Regularly reviewing and maintaining current information on the status of all solicitation strategies, ratings, and team assignments for major gift prospects.
- Updating contact information in the CRM database and submitting relevant file notes and correspondence to central optical imaging system (ROI).

Implementation Guidelines

All major gift prospects will be assigned a "Prospect Manager". The prospect manager should be a development professional, given the scope of responsibilities, even when a University official will play a key role with the prospect.

- In general, a unit development officer will serve as manager when a prospect has a single unit interest.
- In general, an Office of University Development major or planned gift officer will serve as manager when a prospect has more than one degree or relationship with the University.
- In general, couples will be treated as a single prospect-unit with multiple degrees.

These guidelines are not absolute when particular circumstances would suggest otherwise. In making these determinations, factors such as a prospect's giving history, demonstrated areas of interest, and well established institutional relationships should be taken into account in addition to the prospect's University of Michigan degree or degrees.

Prospect management assignments may be changed as other priority interests are developed or as warranted by other circumstances. Once a major gift is made, a review should be done to determine the most appropriate prospect manager and team, keeping in mind existing relationships and who is in the best position to manage the long-term relationship between the donor and the University.

The Vice President for Development and the Associate Vice President for Development will address problems in the management of individual prospects in collaboration with the director of Prospect Development and Analytics.

When differences of opinion exist among the units of the University regarding access for solicitation of a prospect, the prospect manager will convene a discussion which includes the development officers of the interested units and Prospect Development and Analytics staff as appropriate. At that time, the primary objective will be to determine which solicitation is most likely to secure the largest gift for the highest institutional priority while honoring the donor's intentions and affinity for the University. If agreement on access is not achieved, the deans and/or directors of the units involved will be asked to resolve the competing claims among themselves. If disagreement on the assignment of a prospect persists, in the case of the Ann Arbor campus, the Vice President for Development will be called upon to determine, in consultation with the Provost and the interested parties, the order of access for solicitation. In the case of unresolved differences involving the regional campuses, the President, in consultation with the Chancellors, the Vice President for Development, and other interested parties, will determine the order of access for solicitation.

IV. Corporate and Foundation Prospects

The underlying objective of the Business Engagement Center (BEC) and the Foundation Relations team within the Office of University Development is to increase the quantity and quality of interactions and relationships between members of the university community and corporations, and corporate or professional foundations, and to do so in a coordinated fashion. These teams encourage college and unit relationships or contacts directly with corporations or foundations, unless requested otherwise bythe corporations or foundations, or unless there are other University priorities established by the President and Executive Officers that would be affected.

All corporations/corporate foundations which have been assigned a prospect manager are treated as a managed prospect, with policy guidelines that are the same as those outlined for individuals. In order to help focus corporate and foundation development efforts and improve communication with a wide range of University representatives and multiple points of contact with corporate and foundation prospects, these teams will take the lead in managing key corporations, and corporate or professional foundations. Generally, the prospect manager will be a development officer from the BEC or Foundation Relations team but they might also be from the unit with the most significant history and strongest relationship with a given organization. Staff, faculty, and program representatives will work with the BEC or Foundation Relations teams and the appropriate prospect manager to contact organizations that draw particular interest from multiple University units.

1. <u>Corporations</u>

   For corporations and corporate foundations with a manager listed on the prospect tracking system it is expected that staff will comply with all guidelines related to managed prospects as previously outlined in this document. However, there is no need for the prospect manager to restrict asks to one at a time if the corporation or corporate foundation welcomes multi-unit asks. The management of corporate prospects is important for several reasons:

   - Some companies are explicit about having only one point of contact at the University (and require highly coordinated asks from the University).
   - Some company relationships require strategic planning and organization in order to be effective.
   - A single coordination point can provide a wealth of information throughout the University regarding a specific company.
   - Managing corporate prospects maximizes the ability of the University to raise money by creating stable, reliable, organized relationships with industry.

   When assigning corporations to a prospect manager, information such as the following will be used to make the assignment recommendation:

- Areas of interest
- Past giving
- Past and future research projects
- Alumni networks
- The size of the corporation (Fortune 500, etc…) and capacity to give will also be considered

The top-level ("Parent") organization will be assigned a prospect manager and subsidiaries will by default be managed by the same person. Additionally, corporate foundations which act on behalf of the parent organization will be managed by the same development officer in order to keep the relationships and strategies with the overall organization consistent. However, in cases where an individual prospect for UM is also a corporate leader, it is possible that the individual may be managed by a development officer that is not assigned to the corporation as the individual's interest with the university may differ from that of the corporation.

2. Foundations

For foundations with a manager listed on the prospect tracking system, it is expected that staff will comply with all guidelines related to managed prospects as previously outlined in this document. There is, however, no need for the prospect manager to restrict asks to one at a time if the foundation welcomes multi-unit asks. The management of foundation prospects is important for several reasons:

- Some foundations are explicit about having only one point of contact at the University (and require highly coordinated asks from the University).
- Many foundation relationships require strategic planning and organization in order to be effective.
- A single coordination point can provide a wealth of information throughout the University regarding a specific foundation, its board, and/or its extended network.

When assigning foundations to a prospect manager, information such as the following will be used to make the assignment recommendation:

- Areas of interest
- Past giving
- Past and future research projects

The Foundation Relations team does maintain a list of "Managed Foundations" that must be granted solicitation clearance by the Director of Foundation Relations or the Prospect Manager before any ask is made. This group consists of selected key foundations that:

- Require the President's signature on proposals
- Will consider only one request in a given period of time
- Are capable of making a gift of $1 million or more
- Have interest in multiple units within the University
- Are of key strategic interest to the University

In order to assist faculty and staff in understanding the deep relationships with specific foundations and prospects, the Foundation Relations team maintains a secure website that contains key information that is useful in building relationships with the foundations. The site is available to all faculty and staff and encourages the active building of relationships between faculty, staff, and foundations.

V. Conclusion

Successful fundraising requires shared information, open communication, and cooperative participation by all concerned. The prospect coordination system can help us meet these criteria as well as serve as a stimulus to vigorous additional activity among University faculty, staff, volunteers, and prospective donors.

The accuracy and usefulness of the prospect tracking system depends upon regular input/updating from all University development officers and others engaged in development activity. The prospect manager and team members working with prospects are charged with ensuring that all contacts, solicitations and team assignments are updated in the University's prospect database. Updates involving individuals should be directed to the Prospect Development and Analytics office. Updates involving corporations and foundations should be directed to the Business Engagement Center or the Foundation Relations team as appropriate

The system does not eliminate all conflicts among proposed solicitation efforts, but rather serves as a means for managing and sharing information about the University's most significant prospective donors for the acquisition of voluntary private support. In its best form, prospect coordination can provide an arena for the constructive give-and-take that is essential to maximizing the returns to all units, which participate in the fundraising efforts of the University.

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