

Standard Practice Guide Policies

Prospect Coordination

602.04

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

I. DONOR BILL OF RIGHTS*

Philanthropy is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

- A. To be informed of the organization's mission and of the way the organization intends to use donated resources.
- B. To be informed of the organization's capacity to use donations efficiently, effectively and for their intended purposes.
- C. To be informed of the identity of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.
- D. To have access to the organization's most recent financial statements.
- E. To receive appropriate acknowledgment and recognition.
- F. To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.
- G. To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.
- H. To be informed whether those seeking donations are volunteers, employees of the organization or hired solicitors.
- I. To have the opportunity for their names to be deleted from mailing lists that an

organization may intend to share.

J. To feel free to ask questions when making a donation and to receive prompt, truthful and forthright answers.

* The text of this statement is taken in large part from the “Donor Bill of Rights” developed by the American Association of Fund-Raising Counsel (AAFRC), Association for Healthcare Philanthropy (AHP), Council for Advancement and Support of Education (CASE), and the Association of Fundraising Professionals (AFP), and adopted in November 1993.

II. INTRODUCTION

Private gifts have provided a significant portion of the University of Michigan’s resources for decades 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 transformational gifts in recent years has been due in large measure to the collaboration between the university’s central administration and the schools, colleges, regional campuses, health system, and units as well as 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.” Driving this decision and the implementation of this system was the desire to provide coordinated and professional fundraising leadership and services to complement, encourage, and support university-wide efforts to achieve comprehensive priorities and objectives while also seeking to ensure the continuity of the fundraising efforts and to achieve a continual and substantial growth in gift revenues throughout the university.

For the purpose of this policy, the schools, regional campuses, colleges, and units (inclusive of the Office of University Development “OUD” and the health system) shall be referred to by the acronym “SCCU”. In addition, typically for the purpose of this policy “major gift prospects” will generally consist of individuals and organizations thought to be capable of making a gift of \$100,000 or more to the university within a five-year period. For some SCCUs however this threshold may be lower though the assignment and coordination guidelines outlined within this policy still apply.

More broadly, and in order to maintain a long-term program that is donor-focused in nature, coordination guidelines are necessary for donors capable of making gifts at all levels, including but not limited to annual giving, lead annual giving, major giving, corporate and foundation giving, and planned giving.

III. CONSIDERATIONS

Donors and prospective donors to the university are critical to the success of the university’s mission. To realize the highest benefit from this support (while honoring the intent of the donor(s) and their relationship to the university), university development

activities must be conducted in the most efficient and effective way possible within the context of university priorities as they are determined by academic leadership under the guidance of the provost and executive vice president for academic affairs, the executive vice president for medical affairs, the chancellors, the president, and adopted by the executive officers and the Board of Regents (“Regents”).

By encouraging open communication, collaborative planning, avoidance of duplication of effort, and by equitably facilitating engagement opportunities, effective prospect coordination helps to ensure that our donor’s interests and passions support the university’s foremost priorities.

The Policy pertains to individuals, foundations, and corporations, and is applicable to all fundraising engagements with university prospects by development and non-development staff, including visits and direct solicitations, as well as direct mail, email, telephone, targeted digital, crowdfunding, and other mass-market solicitations.

IV. GENERAL OVERVIEW

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 interests and affinity, degree and institutional relationships with the university are taken into account. The primary consideration in prospect assignment and coordination is to ensure that our donors are able to match their interests and passions to the priorities of the university.

V. ANNUAL GIVING

A. OVERVIEW

The vice president for development is responsible for Policy oversight and data management related to all matters of annual giving prospect coordination and tracking for the university. This oversight is, in general, operationally delegated to the director of annual giving, Office of University Development (“OUD”). SCCUs may conduct annual giving solicitations via direct mail, email, telephone, targeted digital, crowdfunding, and other mass-market methods in accordance with established university policies and best practices. While honoring donor communications preferences and barring prospective donor requests to the contrary, SCCUs should adhere to the following guidelines and expectations.

B. GUIDELINES AND PROCEDURES

1. Degree-granting units may solicit anyone with a degree conferred by their

school or college.

2. Additionally, any SCU may solicit:

- a. Anyone who has made a gift to their unit
- b. Given that the annual giving landscape, and the data that supports it, is constantly evolving, Development leadership adjusts solicitation guidelines accordingly. The director of annual giving, OUD maintains a reference guide of specific biographical/affinity use cases and will furnish it upon request to any U-M Development professional. In general, anyone with a strong affinity demonstrated through actions such as ticket purchases, event attendance, current/past student activities, volunteer activities, patient activity, and/or demonstrated use of an SCU's particular resources at a level significantly higher than the typical student, can be solicited by that SCU. If conflicts arise, they will be mediated by the director of annual giving, OUD.

(1) Special initiatives and targeted fundraising efforts by SCUs which may be considered to have university-wide reach will be evaluated on a case-by-case basis by the vice president for development or his/her designate.

(2) Constituents who have not made a gift to their affiliated SCU(s) within the past six years may be solicited for broad institutional priorities through projects coordinated by OUD.

C. DEVELOPMENT COMMUNITY EXPECTATIONS

All university development staff are expected to communicate and coordinate their efforts with appropriate teams across campus including the annual and planned giving teams of other units. This includes documenting all mass solicitations and communications on a prospect's record within the university's prospect database, the Donor and Alumni Relationship Tool ("DART") using appropriate system tags (marketing effort codes, etc...).

VI. MAJOR GIVING

A. OVERVIEW

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, operationally delegated to the director of prospect development, OUD. The director will routinely convene an advisory committee of OUD leadership, SCCU chief development officers, and other development community members to make recommendations for how best to

implement guidelines and best practices for major gift coordination. These recommended practices will be maintained by the director and housed in a community accessible online database.

Major gift prospect coordination begins with the identification of a person, foundation, or corporation that will be engaged beyond annual giving solicitations or mass appeals and continues as long as that individual, foundation, or corporation is believed to have major giving capacity. To assist in the assignment of prospects, the director will routinely convene a committee of OUD leadership, SCCU chief development officers, and/or prospect development team members to review assignment requests and to make a determination on the most appropriate assignment of prospect managers.

B. ROLES AND RESPONSIBILITIES;

1. The “Constituent Relationship Manager” role will be assigned to prospects that gift officers are working to actively engage and qualify, but where the gift officer is not assigned as the prospect manager for the overall relationship.

The constituent relationship manager role can also be used for prospects that a gift officer is currently qualifying and intends to visit within the next six months. Notes and indicators within the university’s prospect database, the Donor and Alumni Relationship Tool (“DART”), should be used to track potential prospects who are not being actively qualified. DART indicators are a tool for helping gift officers keep track of the many prospects they work with and these indicators can also help to prioritize work as well as create transparency and accountability around engagement strategies.

2. The “Prospect Manager” role will be assigned to constituents that will be actively engaged for a major gift to the university. 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. The prospect manager assumes primary responsibility and accountability for the coordination and approval of cultivation, solicitation, and stewardship activities of assigned prospects. As the principal strategist cultivating these prospects, the prospect manager will function as the consummate university citizen and will represent the best interests of the university.

The prospect manager will lead strategy development in collaboration with a team of all SCCUs connected to a prospect’s interests. This team, which may include OUD staff, SCCU staff, and university administrators, will also share in the responsibility of communicating and coordinating activities with the prospect manager. The prospect manager will consult with prospect team members through individual contact and/or prospect team meetings as

appropriate.

3. The “Stewardship Primary” role will be assigned to help the prospect manager enhance donor centric stewardship efforts and to best support our donors’ philanthropic engagement with the university through consistent efforts. The intent of this role is to identify the stewardship officer or other development professional from any SCCU that is responsible for leading stewardship strategy and coordination. This role does not replace or remove the responsibilities of the prospect manager and the prospect manager should still be directly involved in stewardship strategies. Rather, the addition of this role is intended to provide stewardship strategy support for prospect managers and major gift officers so that they may focus their work on active cultivation of prospects and donors and leverage the stewardship primary role to lead stewardship efforts. Not every managed donor requires a stewardship primary. It is appropriate to consider a stewardship primary for major gift donors who give to and are engaged across multiple units and/or when donor gifts are complex and stewardship cannot be automated.

Assigning a stewardship primary role may also be appropriate for donors without a prospect manager, especially in the case of a high-level donor and longtime volunteer/advocate for the SCCU who has made their ultimate gift to the university and is no longer a prospect for future giving. This role is especially appropriate for this type of donor when gifts from this donor are complex and stewardship cannot be automated.

In addition to the roles outlined above, all university staff may work in a variety of ways to coordinate engagement activities with donors and prospects. These additional roles and recommended practices are defined and maintained by the prospect development director and housed in a community accessible online database. Regardless of role, all university development staff are expected to proactively communicate with their colleagues in a thorough, transparent, and timely manner so that all appropriate details of a donor’s interests and intentions with the university are collaboratively shared and acted upon in a coordinated and professional manner.

C. GUIDELINES AND PROCEDURES

As noted previously, the primary consideration in the assignment of a prospect manager is to ensure that our prospects and donors are able to match their interests and passions to the priorities of the university. Also as noted previously, 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.

Given these considerations, prospect assignments will be determined based on factors such as a prospect's giving history, demonstrated interests and affinity, degree relationship to the university, and established institutional relationships, all of which are taken into account. Once assignments are made, the expectation is that individual MGOs will act as the consummate development professional and university citizen, representing the broad priorities of the university even if they are outside the focus of their own SCCU or initiative..

1. In general, a gift officer from a given SCCU will serve as prospect manager when a prospect has sole interest in that SCCU.
2. OUD campaign, principle, major, or planned gift officers may serve as a prospect manager when a prospect has more than one degree, interest, or relationship with the university. Gift officers with strong, demonstrated relationships with the prospect and a demonstrated ability to function as the consummate university citizen may also be assigned as prospect manager.
3. In general, couples where each individual has a degree, interest, or relationship to U-M will be treated as a single prospect entity, and the same prospect manager will be assigned to both spouses to help drive a cohesive strategy for the household.
4. If a major gift is made by an unmanaged donor, a review should be conducted 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 relationship with the donor is of the utmost importance and these guidelines are not absolute when particular circumstances would suggest alternative actions. Detailed recommended best practices and processes for determining assignments are maintained by the director of prospect development and housed in a community accessible online database.

Prospect management assignments may also be changed as new interests are identified, as new priorities are developed, or as warranted by other circumstances. Assignments may also be changed if an individual gift officer or team fails to demonstrate that they are able to represent the university with respect to a donor's broad interests and affinities to the university. Assignments will be reviewed and potentially changed if gift officers are not adhering to defined competencies and expectations.

The vice president for development and the director of prospect development, OUD will address problems in the management of individual prospects in

collaboration with impacted teams and gift officers. When differences of opinion exist among the SCCUs of the university regarding access for solicitation of a prospect, the following steps will be considered:

1. The prospect manager will convene a discussion which includes the gift officers of the interested SCCUs and prospect development staff, as appropriate. At that time, the primary objective will be to determine which engagement is most likely to support the highest institutional priority while honoring the donor's intentions and affinity for the university.
2. If agreement on coordination and timing is not achieved, the deans and/or directors of the SCCUs involved will be asked to resolve the competing interests in partnership with prospect development staff.
3. If disagreement on coordination and timing with a prospect persists, the vice president for development will be called upon to determine the order of engagement in consultation as appropriate with the provost and executive vice president for academic affairs, the executive vice president for medical affairs, the chancellors, the president, and the interested parties.

D. DEVELOPMENT COMMUNITY EXPECTATIONS

All Development staff share responsibility for university-wide prospect coordination, including development staff of the SCCUs, regional campuses, health system, and OUD. The obligation to participate in the prospect coordination process includes regularly and accurately updating a prospect's record within the university's prospect database, the Donor and Alumni Relationship Tool (DART) which includes:

- E. Rating and adding the names of newly-identified major gift prospects.
- F. Requesting prospect manager or team assignments of specific prospects.
- G. Documenting planned and completed interactions and solicitation strategies with prospects.
- H. Regularly reviewing and maintaining current information on the status of all solicitation strategies, ratings, and team assignments for major gift prospects.
- I. Updating contact information for donors and prospects.
- J. Adding relevant file notes and correspondence to the document imaging system.

All university development staff are also expected to adhere to applicable laws and regulations (FERPA, HIPAA, etc...) as well as university policies specifically as they relate to prospect and donor rights, privacy, and confidentiality and to adhere to industry standards related to ethics and discretion. They are also expected to conduct a thorough review within the university's prospect database, the Donor and Alumni Relationship

Tool (DART) before engaging in individualized communication with a prospect. If there is any indication documented in DART that another staff member or SCCU has a relationship with, or is interacting with a prospect, all development staff are expected and share the responsibility to communicate and coordinate their efforts.

In addition to the update and review of DART, all university development staff are expected to proactively communicate with their colleagues in a thorough, transparent, and timely manner so that all appropriate details of a donor's interests and intentions with the university are collaboratively shared and acted upon in a coordinated and professional manner.

VII. CORPORATE AND FOUNDATION PROSPECTS

The underlying objective of the Business Engagement Center ("BEC") and the Foundation Relations Team within OUD 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 SCUs to establish direct relationships or contacts with corporations or foundations, unless requested otherwise by the 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 gift officer from the BEC or Foundation Relations Team, but they might also be from the SCU 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 SCUs.

A. CORPORATIONS

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:

1. A single coordination point can provide a wealth of information throughout the university regarding a specific company.
2. Managing corporate prospects maximizes the ability of the university to raise money by creating stable, reliable, organized relationships with industry partners.

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

1. Areas of interest
2. Past giving
3. Past and future research projects
4. Alumni networks
5. 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 gift officer in order to keep the relationships and strategies with the overall organization consistent. However, in cases where an individual prospect for U-M is also a corporate leader, it is possible that the individual may be managed by a gift officer that is not assigned to the corporation, as the individual’s interest with the university may differ from that of the corporation.

B. FOUNDATIONS

For foundations with a prospect manager listed in DART, 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 asks from multiple SCUs. The management of foundation prospects is important for several reasons:

1. Some foundations are explicit about having only one point of contact at the university (and require highly coordinated asks from the university).
2. Many foundation relationships require strategic planning and organization in order to be effective.
3. 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:

1. Areas of interest
2. Past giving
3. Past and future research projects

In cases where the foundation is a professional foundation, it is possible that the foundation may be managed by a gift officer that is not assigned to specific individuals associated with the foundation, as the foundation's interests with the university may differ from that of each individual. Similarly, in cases of family foundations, a single gift officer may be assigned to all family members as well as the foundation, if the foundation focuses its giving on the interests of the individuals.

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:

1. Require the president's signature on proposals
2. Will consider only one request in a given period of time
3. Are capable of making a gift of \$1 million or more
4. Have interest in multiple SCUS within the university
5. 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 foundations. The site is available to all faculty and staff, and encourages the active building of relationships between faculty, staff, and foundations.

VIII. CONCLUSION

Successful fundraising requires shared information, open communication, and cooperative participation by all concerned parties. 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 university's prospect database, the Donor and Alumni Relationship Tool (DART), depends upon regular input from all university gift officers and others engaged in development activity. The prospect manager and team members working with prospects are charged with ensuring that all contacts, ratings, solicitations, and team assignments are regularly and accurately updated on a prospect's

record in DART. They are also expected to proactively communicate with their colleagues in a thorough, transparent, and timely manner so that all appropriate details of a donor's interests and intentions with the university are collaboratively shared and acted upon in a coordinated and professional manner.

The system does not eliminate all conflicts among proposed engagement and 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 respectfully engaging and stewarding our donors around their interests and passions while also maximizing the returns to all SCCUs that participate in the fundraising efforts of the university.

SPG Number:

602.04

Applies To:

All UM Staff/Faculty Engaged in Fund Raising

Date Issued:

July 15, 1991

Owner:

Office of the Vice President for Development

Last Updated:

October 16, 2023

Primary Contact:

Office of the Vice President for Development

Next Review Date:

October 16, 2028

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