

Case Study: Back from the Brink: How to Save the Gift when a Donor Changes their Mind and How to Keep it from Happening in the First Place

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Abstract

Working as a higher education fundraiser can be an exciting and fulfilling job, one that requires the ability to build relationships, to develop trust, to navigate marrying of the desires of the donor and your institution's regulations, and to acknowledge and steward what may be the donor's biggest gift of their life. You can do everything right and sometimes things still go wrong. This article presents a case study of a gift that almost didn't happen, how it was saved, and what was learned from the experience.

Background

The Office of Development and Alumni Relations (DAR) at the University of Georgia oversees the fundraising efforts on behalf of the UGA Foundation, a 501(c)(3) organization, for 31 schools, colleges, and divisions with a development officer or senior director of development who manages additional fundraising professionals in each campus unit. Additionally, there are currently eighteen regional development officers located around the state and across the country.

The following DAR units work in collaboration as needed with fundraising officers across campus to cultivate and solicit prospects:

- Office of Gift and Estate Planning – Estate planning professionals/attorneys who help guide decisions regarding the disbursement of assets;
- Office of Principal Gifts – Development professionals who work with high-capacity donors who want to make transformational gifts;
- Communications – Public relations and communications professionals who craft press releases and high-impact proposals;
- Research and Prospect Management – Trained researchers who identify alumni and friends for cultivation, and others

Though alumni are typically cultivated and solicited by the school or college from which they graduated, DAR at UGA places no restrictions on units like the libraries, the museum, the performing arts center, and others with no “alumni” regarding cultivation or appeals unless the prospect is in active solicitation with another school, college, or unit. Additionally, DAR encourages collaboration between units, and development officers have a monthly collaboration goal that they must meet.

The University of Georgia Libraries has 3.5 full-time staff members devoted to fundraising, stewardship, and donor relations for the Libraries, the University of Georgia Press, and *The Georgia Review*, our literary magazine.

The Case¹

Recently, the libraries hired a new director of development, and I was promoted to Associate Director of Development and Annual Giving. In my 16 years with the libraries, in addition to other duties, I worked with leadership annual giving prospects (LAG = contributions between \$1,500-\$24,999 annually) and had converted several donors from LAG donors to major gift donors. Though carrying a portfolio of prospects was not in my official job description, because I enjoyed the work, I was encouraged to develop a pipeline of prospects.

Two weeks into my new role, I sought permission from the senior director of development to reopen communication with a prospect who had previously declined a collaborative seven-figure proposal submitted by the libraries and another campus unit. A gift-in-kind of items from the prospect’s collection of natural history prints was still on the table, and I wanted to resume the conversation.

¹ Identifying details have been changed to protect the donor’s privacy.

During the initial meeting, the prospect indicated that they were interested in making a seven-figure gift, and that part would likely come from their estate. They also mentioned wanting to find a home for a now-closed museum collection that had belonged to their brother.

A development officer and a faculty member from the collaborating unit met with the head of special collections and me to re-work the original proposal, and we resubmitted it to the prospect the following month. The new proposal would establish named endowments at both the libraries and the collaborative unit.

University regulations do not allow the creation of endowments and named physical spaces from the same gift, but because there are no rules regarding the naming of special collections and given that the gift was to be seven figures, approval was received to instead name, in the prospect's honor, a significant related collection in our special collections library. This to-be-named collection is one of several owned by other campus units but cared for by the libraries. The updated proposal outlined these key points: how the endowments would be used to support use of the collection by students, faculty and outside researchers; how the libraries would provide care for the to-be-named collection and the gift in kind in perpetuity; and that in recognition of the prospect's generosity we would update the name of the collection online, include the new name in exhibit information whenever the heavily-used collection was on display, and develop an exhibit of the proposed gift in kind.

Because our campus art museum had placed a moratorium on accepting any donations of art after the arrival of a new director, I had begun informal conversations with other potential campus partners about the brother's collection, but there was little interest. As a last resort, our library offered to accept a few pieces, but nothing formal was written into the proposal because we were not aware that the acceptance of the brother's collection was a deal breaker for the prospect.

The updated proposal was presented, and in May of that year, the prospect invited me to meet with them and their trusted advisor, with whom they had shared the proposal, to discuss the complexities of the gift. Since it would include a gift from the prospect's estate, I invited my colleague from the Office of Gift and Estate Planning (OGEP) to join the meeting to answer any questions outside my realm of expertise.

During the meeting, it became obvious that neither party had a true understanding of academic libraries or how special collections are preserved and used in instruction and research. To increase this understanding, we invited both to come to campus for a tour of the libraries and an opportunity to meet with faculty and staff from the collaborating unit.

In August of that year, we hosted the prospect and their trusted advisor for an all-day visit to campus. We toured the library and the vault and shared a presentation by a PhD student who used the to-be-named collection in their teaching and research. We hosted a lunch attended by a faculty member and my development colleague from the collaborating unit, my colleague from OGEP, a colleague from the Office of Principal Gifts, and the head of special collections. Over lunch, we reviewed the proposal again to reiterate the impact of the proposed endowments, but after some questions from those present, the prospect asked for an updated proposal that included student scholarships and other areas of need.

A new proposal was presented in late August that reiterated details of the original proposal with the addition of information about endowments for scholarships, graduate fellowships, experiential learning internships, departmental and collections support funds, a lecture series, and support for

a K-12 outreach opportunity, as well as two one-time funding opportunities for digitization and exhibit support.

Over the next seven months, I checked in with the prospect monthly. Due to personal travel and the timing of scheduling appointments with their attorney, financial advisor, and tax preparer, it was March of the following year before we were able to schedule a follow-up meeting. At this meeting, the prospect said they liked the initial proposal and wanted to make half the gift via a pledge, with the remaining half made via their estate. We also settled on a date in late March for another campus visit that would include a private lunch with students from the collaborating unit and a class visit. A photographer was present to document the visit, with the resultant photographs to be used in campus, alumni, and unit promotional channels.

On the Monday prior to the March campus visit, we shared copies of the pledge form and a statement of future gifts form (estate planning form) with the donor via email for their perusal. During a break, my colleague from OGEP, my development colleague from the other campus unit, and I presented the prospect with copies of the required forms.

The prospect signed the paperwork and then texted their trusted advisor that they had done so, and they replied in a celebratory manner. The prospect asked about the brother's collection, and I informed them that we had not been able to find a home at the museum or elsewhere on campus, but reiterated that the library would accession a portion of the collection.

At 8:00 a.m. the following morning, I received a phone call from my OGEP colleague, who informed me that the donor had contacted him by phone and email to cancel the entire gift. In their email, they expressed their displeasure at the lack of recognition for a gift of the size they were making. They were also unhappy that the naming opportunity wasn't more visible, that they did not like the timing or the plans for the exhibit of their gift in kind, that the number of gift in kind items we had agreed to accept was too few, and that we had not been able to find what they believed was a suitable home for their brother's collection.

In the follow-up email they sent to my OGEP colleague, they referred to the "insulting provisions tied to such a financial commitment," and wrote that they had "lost their desire and enthusiasm" to make the gift.

Receiving the news of the donor's decision to revoke their gift the day after such a seemingly wonderful campus visit was jarring and confusing. At no point during the multiple meetings over the course of several months did the donor hint that the original plan for acknowledgement was unsatisfactory, nor did they indicate that finding a home for their brother's collection was a dealbreaker. I believed the donor and I had developed a rapport, and I was disappointed that they were unhappy. I wished they would have reached out to me directly to express their displeasure rather than to my colleague.

Though the donor had indicated that they no longer wanted to discuss the gift, I felt a professional responsibility to address their unhappiness personally, so I called them immediately. I told them I was devastated that they were unhappy and asked for the opportunity to put together a proposal that addressed the areas of disappointment they noted in their email. They agreed.

But there were challenges. There was no easily identifiable way to create a more visible naming opportunity, given the University's previously mentioned naming restrictions. Additionally, the Library had committed to accepting 15 pieces of the donor's natural history collection, and

accepting more would mean increased costs for staff time for processing, storage, preservation supplies, and exhibit materials. I hoped to be able to find a way to meet the donor's expectations, but there was a possibility I would have to let this donor walk away unhappy.

Because of challenges with the University's naming restrictions, my colleague from the Office of Principal Gifts took the lead in investigating options and met with senior staff from Development and Alumni Relations to discuss naming opportunities. She also consulted with development staff, faculty members, and department heads in the School of Art to discuss their acceptance of some of the brother's museum collection.

Though it meant more work and expense, because of the need for funding to support the preservation of the large to-be-named collection and the unlikelihood of finding another suitable donor, my colleagues at special collections agreed to accept and exhibit more pieces of the donor's gift-in-kind and to move up the date of the exhibit.

My development colleague in the collaborating unit identified a small exhibit case in one of their classroom buildings, and with the approval obtained through the work of the Principal Gifts Officer, we were able to create a small exhibit with a naming plaque.

The School of Art agreed to take several of the brother's collection to be put on display both on the university campus and in our Oxford, England campus. However, in exchange, they asked for \$50,000 to create a fund named in the brother's honor to support student and faculty travel to the Oxford campus.

And finally, colleagues from DAR's Communications team put together an extensive multi-year PR plan to promote both the donor and their accomplishments, and to announce their gift. They also designed a beautiful, dynamic proposal that included the new \$50,000 ask along with the much-expanded gift acknowledgement plan.

Though I was nervous about presenting the ask for the additional \$50,000, the donor appreciated the acknowledgement of their brother and felt that an additional \$10,000 per year on the pledge was easily accommodated. The proposal was presented, accepted, and signed in late May.

What Happened and What Did I Learn?

Though I thought I knew the donor and their intentions based on my colleague's previous interactions and my initial conversation, in hindsight, I should have spent more time discovering what was most important to the donor in terms of the impact of their gift and how they wanted to be acknowledged, instead of simply reworking the original proposal that had been declined.

I also believe that the donor didn't fully understand that university regulations precluded creating an endowment and a named space from the same gift, and I should have done a better job of explaining this distinction so the donor could decide what was most important to them.

Key Takeaways

- Get to know your donor, really know them. If you inherit a donor from a colleague or are brought into a collaborative gift opportunity, get to know them yourself, even if you think you already know everything about them from your colleague's notes. Meet with them more than once before presenting a proposal. Ask questions about their other philanthropy. Invite them to library events. Spending time with them and learning about their travel and their interests can provide insight into the type of donor they will be and how best to acknowledge and steward their gift (e.g., are they "high maintenance"? Do they like a lot of attention or do they shun the limelight? Are naming opportunities important?)
- Outline the gift's impact in the proposal and be absolutely clear how it will be acknowledged in accordance with your university's donor acknowledgement guidelines.
- Don't be afraid to ask directly, "Is there anything about this proposal that you don't like or that you would change?"
- Find out if there are any deal breakers for the donor. What are the musts? Do they align with your organization's mission and capabilities?
- If the donor's desires don't align with the university's regulations, is there room for negotiation? If not, be prepared to walk away.
- If applicable and with the buy-in of the donor, invite a trusted advisor to be at the signing.
- Review the paperwork with the donor before the date of signing. If possible, do not schedule the paperwork signing on a busy day for the donor. Build in time for any last-minute questions or concerns.

Conclusion

Working with donors to fulfil their philanthropic desires can be a joy; however, donors are human beings who bring all their life experiences and personality quirks – good and bad – to the table. These things inform their expectations, their hopes, the way they want to be treated, and the way that they want to be thanked. Our sometimes-challenging job is to marry the donor's desires to make substantive change at our institution with the rules and regulations our institution has established, while at the same time ensuring that the gift will not place undue burden on the benefitting unit. For some, their gift may be the first time they have made such an important commitment, and it might invite feelings of uncertainty, vulnerability, and sometimes even fear. By being forthright, clear, diplomatic, and occasionally practicing radical honesty, you will stand a greater chance of success in fulfilling the goals of both the donor and your institution.