Outlook: A Matter of Trust

Stewardship comes down to demonstrating values

By Curtis Simic, Laura Simic

Every gift an institution receives carries with it a fragile trust that requires constant awareness of the associated obligations. Stewardship is the entirety of what we do to demonstrate that our institutions are worthy of a donor's trust, a trust in our ability to make a difference in a life and society. It is such a pleasure to witness institutions in partnership with donors doing just that.

Of course, good, sincere stewardship is not without a bit of enlightened self-interest. We know those who support us will likely do so again if we do what we promised, the gift had the effect we represented, and we report results to the donor. Larger gifts that fund entire initiatives merit more intense stewarding than large collections of gifts applied to universal needs. In all cases, however, we must convey that we are competent and the donor can trust us.

Stand up for donors

Is maintaining donor trust a pervasive conviction throughout your institution? If it's not, there's work to be done. If it is, there's work to be done. Why do we say this? We say it primarily because stewardship is never completed, but also because at most institutions, money is fungible.

Tuition and research grant money to cover overhead are simply income. Even state resources are rarely earmarked for a budget line, with the exception of construction project appropriations. Juxtapose that reality with the fact that no president has all the money he or she needs to encourage every good idea that the faculty conceives. The situation results in presidents and chief financial officers looking for ways to leverage resources. In such an atmosphere, leaders may begin to view gift dollars as interchangeable.

Most donations are given for a specific, expressed, and agreed-upon purpose that should—not—cannot—be altered without close consultation with and agreement from the donor or a surviving family member. However, many times in our experience we've seen presidents, CFOs, and deans attempt to reinterpret donor intent. That is why we postulate that trust must be an institutionally held value. Let us give you actual experiences to illustrate our point.

One president needed $20 million to construct a building for a prominent school. He requested the funds be taken from the university foundation. The foundation CEO explained to him that the foundation did not have that kind of flexible money, but the staff could organize a campaign to raise it. He
said the need was immediate and the source of the money could be the appreciation on the
foundation endowment. The endowment funds held by the foundation were nearly all
restricted. The covenant with each donor was that the appreciation follows the purpose of
the original gift. The president vowed to go to the foundation board directly. One of the great
values of an independent foundation board is that it can act in the best interest of donors.
The board appropriately denied the president's request.

At another university, one without an independent foundation, annual fund gifts were
solicited by and credited to individual schools and colleges. If any particular school exceeded
its fundraising goals, however, those gifts were being used as general funds. The chief
development officer asserted that that practice was a clear violation of donor trust, and it
ceased. It's also a major disincentive for development officers, deans, and faculty to support
fundraising goals and, more importantly, for donors to give.

Standing up for donors' interests and educating colleagues about the institution's
responsibilities to donors are ultimately the duty of development officers and boards.
However, stewardship is a job best shared across the institution.

**Many helping hands**
The faculty's role in stewardship provides inspiration to donors, first in explaining the
potential impact of a project and then in reporting and interpreting its accomplishments.
Once development officers understand the donor's hopes and aspirations, the sooner they
get the donor in touch with a faculty member the better. Satisfying many donors' inquiring
minds requires a deep, academic understanding.

Students, too, are powerful partners in stewardship. They can show firsthand the payoff of a
donor's investment. Nothing is more satisfying to a scholarship donor than meeting the
recipient of his or her generosity and hearing how it has affected that student's educational
path. It's also an important educational opportunity for students to understand that the
source of scholarship support is often a living, breathing person with hopes and aspirations
to help another.

Other campus partners are valuable to ensure donors' intentions are fulfilled and institutional
credibility and trust are maintained. The financial aid office is a critical partner to ensure that
privately funded scholarships are awarded according to donor wishes. It behooves
development officers to build strong working relationships with these colleagues in order to
shape scholarship gifts and craft agreements to meet university needs as well as satisfy
donor intent. Such cooperation and forethought supports stewardship and leads to satisfied
donors.

The institution's auditor plays a role in stewardship as well. A periodic review of gift
agreements and spending procedures by this neutral party can identify any departures from
the covenant with the donor and help correct a faulty process.

**Personally cementing trust**
While presidents are seen as key figures in fundraising and many campus partners play
important roles, the primary link between a donor and an institution is most often the
personal connection between the donor and the development officer. Integrity and trust must
be demonstrated across the organization, yet there is no substitute for a trust-based
relationship that evolves into a true friendship.

Personal notes, phone calls, and noninstitutional communications and contacts pave the way
for serious discussions about philanthropy. Good development professionals as well as
institutional presidents naturally tend to these relationships, personally demonstrating the
institution's goodwill and character.

Stewardship is more than an operational function of the development office. It's indicative of
transcendent values and proof of the institution's integrity and trustworthiness.

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