

Doom or Vroooooom?

Turning Agency, Field of Interest, Donor-Advised and Scholarship Funds into Rural Endowment Building Engines

Friday, January 31 - 10:30 a.m. –12:15 p.m.

Session Leader

Pat Vasbinder

Consultant; Former Vice President and COO, New Hampshire Charitable Foundation

Peer Leaders/Storytellers

Sidney Armstrong: Consultant, Former Executive Director, Montana Community Foundation

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By Alexandra Reid, Director of Donor Services

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- I. 3 Key Facts
 - a. Per capita income here is low compared to the rest of the state and yet per capita giving is very high. Last year, gifts to HAF alone averaged \$30 for every single resident in our three-county area. In philanthropic grants made per capita, Humboldt County is 4th in the state, according to a recent report from USC, running just behind areas such as Marin and San Francisco Counties. Like other rural areas, our wealth is in the appreciated value of land.
 - b. Donor advised funds are increasing in number and now account for more than 36% of our 432 funds. The biggest growth is in donor advised expendable funds, demonstrating donors' desire for more control over their grant making and more flexibility in addressing perceived needs.
 - c. I was hired as a response to a "crisis of growth" five years ago and that trend continues. We added planned giving as a donor service component last year and I obtained training. I spend as much time providing support to professional advisors as I do working directly with planned giving clients. Our Board is seriously engaged. Donor services staff has grown to include an assistant who focuses on one-on-one relationship building and fine-tuning our database and a coordinator who creates communication materials and manages the local Leave A Legacy project.
2. Goal

We don't have an endowment-building goal. We offer planned giving as a donor service rather than as a development tool. We support professional advisors and help donors make gifts that make the biggest difference and give them the most satisfaction whether or not HAF benefits directly. "Giving it away" turns out to be a pretty good development strategy for us.
3. Challenges & Capacities

Real life – At a recent Board meeting, a visitor asked why I didn't bring new fund donors into line with the Foundation's grant making priorities. Of our 31 new funds last year, 14 were donor advised, established by donors with an already set idea of what they wanted to do; five were organizational funds, intended to support the agencies that created them; six were designated funds, some of which were established by bequest; and six were scholarship funds, most of which were created at the death of a loved one with the fund purpose based on what was most meaningful in the life of the child or spouse

lost. Whenever I find that rare donor interested in the work of the Foundation and our funding priorities, believe me, I match them up with program staff within the half-hour.

Donor advised funds are time consuming but they are “what’s happening.” To control the workload, we

- a. offer donors a list of workable options rather than a blank slate
- b. do our best to capture and document the donor’s intent, values and history
- c. encourage the donor to plan for the unforeseeable future
- d. use simple, straightforward agreement language that meets all legal requirements
- e. inform other staff and tie in to existing internal systems so that we can maintain our initial level of support on an ongoing basis
- f. provide individual recognition and ask if the donor is interested in further types of involvement
- g. prep program staff on donor needs, issues, etc. and then turn them loose to work directly with donor advisors on joint grant making

4. Outcomes, Lessons & Advice

Outcomes

- a. Donor advisors become inspired by the success of their charitable giving. They often contribute additionally to their own fund and create new funds as well. They frequently volunteer to become further involved in the work of the foundation.
- b. Program staff and donor advisors often develop positive relationships and become partners in making best use of grant funds for community benefit.
- c. At HAF, donor advisors have been sufficiently happy with our services to tell their friends. On average, we open between two and four new funds each month, the majority of which are donor advised.

Lessons

- a. Donors increasingly want to be involved in deciding how their hard-earned money is to be given away. We’ll see more use of the donor-advised fund and we need to create systems to manage them efficiently.
- b. Individualizing fund instructions will cause more doom than vroom. Offer a menu instead.
- c. We will seldom be able to convince donors to support our foundation’s funding priorities.

Advice

- a. Let go of your own agenda and follow your donors’ philanthropic lead. Help them maximize the difference they dream of making.
- b. Encourage donors to keep their fund parameters as broad and inclusive as possible to accommodate their future charitable options.
- c. Plan for perpetuity. Keep good records of what is important to your donors so that their fund will continue to express their values long after they’re no longer around to advise.



**HUMBOLDT AREA FOUNDATION
DONOR/FUND CONTACT ENTRY FORM**

FUND NAME (if any) _____

DONOR NAME _____

ORGANIZATION _____

ADDRESS _____

CITY, STATE, ZIP _____

PHONE: Home _____ Work _____

Circle one: *NEW DONOR* *EXISTING DONOR* *CONTACT/INQUIRY*

REASON FOR CONTACT: _____

STAFF NAME: _____ DATE: _____

ACTION REQUIRED (list staff name, date required, etc.)

PROFILE ENTERED BY: _____ DATE: _____

FUND ENTERED BY: _____ DATE: _____

Profile # _____

Prefix: _____ First Name: _____ Middle: _____ Last: _____

Organization: _____ Title: _____

Address: _____

City, State, Zip: _____ Address Type: _____

Work Phone: _____ Home Phone: _____

Fax: _____ E-Mail: _____

Web Site: _____

Affiliations: _____

Fund Associations: _____

Relations – Name & Address: _____

Fund

Fund Name: _____

Established Date: _____ Establishing Gift: _____

Endowment Fund _____ Principal Access _____ Anonymous Grants _____

Source: _____ Interest: _____ Policy: _____ Staff: _____

Admin Fee: _____ Investment Account: _____

Fund Class: _____ Fund Type: _____ Sub Type: _____

Fund Type: *Agency* *Discretionary* *Scholarship*
 Annual Payout *Donor Advised*
 Charitable Remainder *Field of Interest*

Fund Associations: _____