

# **The Relationship Between the FAO and the Development Office and What It Means for Institutional Aid**

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# Objectives

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- Creating a Positive Working Relationship
  - Tips Learned at Harvard Medical School
  
- Working Together to Create “Shared Missions and Common Goals”
  - Tips Provided from University of the Pacific’s Model
  
- Developing a Positive “Foundational” Relationship
  - Relational Concepts

# **Financial Aid and Development: Creating a Positive Working Relationship**

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Bob Coughlin, Director of Financial Aid  
Harvard Medical School



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# History at Harvard Medical School

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- ❑ Little to NO involvement with Development Office
- ❑ Constant turnover of staff in Development
- ❑ Lack of clarity of roles – who does what?
- ❑ Little understanding of Development's mission, fundraising efforts, campaign goals – who are they targeting? What are they saying to donors about financial aid?

# Step 1 – Information Gathering

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- Take Initiative to Meet Development Staff
  - Understand what roles individual development officers play
  - Who handles large gifts, who works with alumni, who is in charge of donor relations?
- Learn about Campaign Initiatives
  - What are the priorities of the Development Office?
  - Who are they targeting for fundraising efforts?
  - How do they feel they can raise funds for financial aid?
    - Do their goals match financial aid philosophy?

# Step 2 – Information Exchange

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- Provide Development with an Overview of Financial Aid
  - What is the Financial Aid Office's mission? What is the school's financial aid philosophy?
  - What are the key financial aid policies?
  - What are the sources of funding?
  - How does it work? Who gets what and why?
  - What are the biggest challenges/obstacles?
  - What is the awarding cycle timeline?

# Step 3 – Getting Involved

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- Initiate Opportunities to Work Together
  - Invite a Development staff member to join the Financial Aid Committee
  - Inquire about attending/presenting at Alumni Council Meetings
  - Participate at Development events (donor luncheons/dinners, fundraising functions, etc.)
- The more present you are, the more your input will be sought!
- Establish a comfort zone with your Development Office!
- The more they know YOU, the more they will include you in the donor relation process

# Step 4: Developing Common Goals

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- Assume an active role in the restricted scholarship assignment process
  - Provides the common link between financial aid and development
  - Encourages communication between offices
    - Who are the active donors?
    - What type of students best meet the written *and unwritten* restrictions?
    - These activities allow for structured meetings between FAO & Development
  - Enables FAO to participate at a greater and more meaningful level in the donor process
    - FAO can coordinate stewardship process between Development Office and students
      - Students more likely to respond to FAO requests for information (bios, thank you letters, etc)
    - FAO more likely to know students personally - can select most appropriate students as recipients and/or as representatives at donor events
- Establishing this relationship allows for structured, successful interactions between FAO & Development Office

# Step 5: Sharing Information

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- Financial Aid Office:
  - Provides statistical data to Development
    - Avg. Scholarship Awarded, Avg. Student Indebtedness, Avg. Monthly Loan Payment, etc.
  - Data empowers Development to “sell” financial aid initiatives to donors
- Development Office:
  - Alerts FAO to areas of interest expressed by donors
    - Ex: Loan Forgiveness, etc.
  - Allows FAO to review/edit terms before deal is set
    - Ensures successful implementation of donor’s intention

# Looking Forward: New Gifts/Financial Aid Initiatives

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- Establishing a positive relationship between FAO & Development allows for greater ability to successfully secure financial aid funds
- From the Financial Aid Office Perspective:
  - Are there eligible students who meet the fund terms?
  - Are the terms in accordance with financial aid policy?
- From the Development Office Perspective:
  - Is the financial aid initiative something that donors will express interest in funding?

# **Institutional Advancement and Financial Aid:** *Shared Mission, Common Goals*

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# Session Goals:

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- ❑ Describe the common mission and shared goals of the Financial Aid Office and University Advancement
- ❑ Outline the basic tenets of scholarship fundraising
- ❑ Describe a method for understanding donor ability, motivation, and stewardship preferences
- ❑ Identify ways of working together to further the mission of the institution
- ❑ Identify institutional challenges and effective methods of overcoming them

# Comparing the Shared Mission

## Development Office Mission:

Philanthropic support of higher education is a time-honored tradition, one that grows in importance with every passing year. At the University we invite our most **dedicated alumni and friends to partner with us in providing an educational experience** that will help our students realize their own capacities to the fullest. Whether it's through a **generous contribution** to one of the University's highly ranked schools or special programs, **to support scholarship**, or a gift to further the president's priorities, members of the University Associates are **investing** in an exciting legacy of discovery, creativity, and leadership.

## FAO Mission:

With the rising cost of higher education, graduate and medical school each involve a major financial investment. Your degree from the University will **fully equip you for the challenges of your chosen profession and produce a lifetime of challenge and reward. We are dedicated to ensuring that all eligible students have the financial resources necessary to pay for educational expenses.** More than 80 percent of our students receive some type of **financial assistance, including scholarships**, assistantships and fellowships, as well as federal, university and private loan programs.



## Fundraising Cycle



Prospect research helps drive development strategy and is a key part of the fundraising cycle. Best Prospects Consulting helps you through this process by delivering high-value information. From [www.best-prospects.com/partnering](http://www.best-prospects.com/partnering) (accessed 11.10.08)

# What are Some Basic Principles of Fundraising?

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- Identification: Who is a likely donor prospect? Affinity and interest are key ingredients
- Qualification: Ability and desire, supported by prospect research
- Cultivation: Matching the needs of recipients with the desires of donors
- Solicitation: If you tell the story and inspire the donor, this part is easy!
  - “Fundraising isn’t about asking for money...it is about inspiring people to believe that they can make a difference, then helping them to make it.”  
(Ken Burnett, *The Zen of Fundraising*, 2006)
- Stewardship: Caring for donors and their involvement with the institution, and confirming that they have done the right thing by making the gift

# Fundraising for Scholarship: More Art than Science

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The key questions:

- What is the donor's motivation to give?
  - The Communitarian: Doing good makes sense
  - The Devout: Doing good is God's will
  - The Investor: Doing good is Good Business
  - The Socialist: Doing good is Fun
  - The Altruist: Doing good feels right
  - The Repayer: Doing good in Return
  - The Dynast: Doing good is Family Tradition
    - (*The Seven Faces of Philanthropy*, Prince and File, 1994)
- What is the donor's philanthropy profile?
  - Affinity, interest, ability is not enough: they must also be philanthropic.
- Explaining the "needs" (cost and debt) and creating opportunity:
  - Scholarship reduces the stress and future debt of the student.

# Fundraising for Scholarship: More Art than Science

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The key questions (continued):

- What are the elements of the scholarship gift agreement that donors can choose (endowed scholarship)
  - Amount of endowment to begin scholarship (>\$25K)
  - Name of scholarship (in honor of, in memory of)
  - Some criteria such as program of study, minimum GPA, class year, demonstrated community service, leadership qualifications
    - Criteria for selection should be as general as possible in order to allow committee to award.
- How would the donor and recipient be best stewarded?
  - Create opportunities and events that allow them to communicate their shared successes with no immediate ask for money.
  - Provide quality donor experiences that show donors what their dollars are achieving.
  - Allow donors to interact with each other and with recipients, students, faculty, staff, and administrators.



# Stewarding the Donor, the Recipient, and the Ultimate Beneficiary

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- Examples of stewardship:
  - Thank you letters telling the impact of the gift
  - Events that celebrate the accomplishments of the donor and the recipient
  - Allow the donor to present the scholarship, provide them with photos of the event and updates on their recipients
  
- Who is the ultimate beneficiary of this philanthropy? How do we involve them in this process?
  - The grateful patient/family can tell the story of their experience with the student by communicating the impact to the donor
  - Invite donors, faculty, students, and patients to come together on leadership panels, forums, community outreach, and symposia

# Donor Stewardship as Continued Cultivation

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- ❑ I want to be recognized and valued for my gift
- ❑ I want to feel good about giving
- ❑ I want to know how my money will be used and what difference it will make
- ❑ I want to be inspired
- ❑ I want to feel involved, a part of something
- ❑ I want to be impressed, so I can tell others about it and recruit them to support it
- ❑ I want you to ask my opinion
- ❑ I want to know that you listen to me

■ *(The Zen of Fundraising, Burnett, 2006)*



# Working Together to Further the Shared Mission

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- Educating each other regarding policies and processes, ethics and core values
- Finding common ground, shared challenges and opportunities
- Find the stories: needs met, dreams realized, challenges overcome
- Fundraisers: Helping the Financial Aid officers to know the donors
- Financial Aid Officers: Helping the Fundraisers to know the students and the stories
- Communicating regularly and appropriately: within approved guidelines.

# Overcoming Institutional Challenges to the Relationship:

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- We think differently...or do we?
  - Advancing the Mission of the University
  - Advancing the opportunity for the student
- Institutional Culture as a challenge
  - Competing priorities
  - Managing expectations
  - Policies, procedures, laws
- Individual personal commitment as a solution
- Finding common ground and stewarding the gift
- Celebrating the ultimate accomplishment

# Developing a Positive “Foundational” Relationship

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# Relationship Basics

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- Relationships Take Work and Effort
- Can Not Be Mandated
- Relationships are Dynamic



# Over Coming Stereo Types

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- Foundation Reps:  
Used Car Sales People
  
- Financial Aid Professionals:  
Regulation Nerds



# Establishing Common Ground

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- ❑ On the Same Team
- ❑ You are both Human (there are some exceptions to the rule)
- ❑ Have the Same Goal:  
Helping Students

# Diplomacy: Proposing Advantages

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- Financial Aid is built to help administer Scholarships
  - Demographic need of Scholarships for Students
  - Need assessment: Ability to identify needy students
  - Notification information: Address, e-mail
  - Be prepared to address...“ Well that’s the way we have always done it.”

# Network

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- ❑ Get out of the Office
- ❑ Do not be afraid to tell people who you are
- ❑ Bury old hatchets (not in the backs of others)
- ❑ Promote the common goal...Student Success
- ❑ Incorporate the view of the donor life cycle

# Openly Self Evaluate

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- Identify areas of past success
- Assess areas for improvement
- Ask for feedback and ideas from the Foundation staff
- Work together on solutions
- Be open to change

# Questions?

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Please, Oh! Please  
don't ask us any hard  
questions!!