

Studies by Penelope Burk and others show time and again that Thank You Letters are the most welcomed and effective acknowledgement that we can give our donors. For first time donors, prompt meaningful Thank You Letters increase average gift levels 39% in the next campaign and increase retention by 250% (from 20% to 70%). Thank You Letters are easy, low cost, and extremely effective.

### Thank you letter DO's

- Be really, really prompt
- Get the donor's name right
- Have a high-ranking person personally sign the letter
- Show some emotion
- Convey gratitude
- Wear your heart on your sleeve
- Refer to how the gift will be used
- Personalize the salutation: Dear Mr. Smith
- Send a thank you letter from someone helped by your organization
- Sign it with a real signature.
- Be positive and upbeat
- Include a contact name and number if the donor has questions
- Handwrite it if you know the donor well
- Begin with an innovative or creative sentence that charms the donor

### Thank you letter DON'Ts

- Start out with "on behalf of"
- Ask for another gift
- Use thank you letter jargon: "we are deeply grateful for your continued support"
- Start out with Dear Friend.
- Ask anything else from your donor right now
- Misspell their name
- Have errors in grammar, punctuation or misspellings
- Go on and on. Ditch the verbosity. Do be concise
- Don't keep "selling"
- Don't re-use copy that you used in the solicitation letter to talk about your programs
- Don't be formal or lofty
- Don't be vague about how the money will be used
- Don't sign it yourself if you can get a higher-ranking person to sign it

### ***Another item to consider from Gail Perry...***

I queried our database to find 20 most loyal donors – individuals who had given over a minimum of \$100 every year for 7 to 10 years. I drafted a simple letter of thanks for their continued support, along with an introduction, and a brief survey asking why they had contributed regularly for X number of years, and including a self-addressed, stamped return envelope. All but two responded. Several sent in substantial checks, although I had made no mention of money. Their responses were illuminating. They were poignant and sometimes humorous. And they provided me with inspiration beyond measure. Surveying your supporters doesn't have to be the complex task many professionals will tell you it is. I put together my packet and sent it out in one morning. (GailPerry.com)

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**What does the IRS require?**

The written acknowledgment required substantiating a charitable contribution of \$250 or more must contain the following information:

- Name of the organization
- Amount of cash contribution
- Description (but not value) of non-cash contribution
- Statement that no goods or services were provided by the organization, if that is the case
- Description and good faith estimate of the value of goods or services, if any, that organization provided in return for the contribution
- Statement that goods or services, if any, that the organization provided in return for the contribution consisted entirely of intangible religious benefits, if that was the case.

In addition, a donor may claim a deduction for contributions of cash, check, or other monetary gifts only if the donor maintains certain written records.

(for more, see: Publication 1771, *Charitable Contributions - Substantiation and Disclosure Requirements*)

**When should I send this to the donor?**

According to donor surveys conducted by Penelope Burk, the superior thank you letter is personalized in some way, says how the gift will be used, and is handwritten and signed by a member of the board.

A common and best practice is to do two thank you letters: a timely note when the gift is received and a more formal letter (on letterhead) at the end of the campaign.

Include the required acknowledgement verbiage at the bottom of the formal thank you letter that's printed on letterhead. These letters may be sent to all donors at the end of the campaign, and you can include a report of campaign results.

You may also send a different version to those prospects that did not contribute – reporting results and thanking them for their interest.

Do not include the acknowledgement verbiage on your timely thank you note. This should be short, gushing, and, if possible, hand-written.