Corporate Philanthropy

Corporate Gifts

Corporate giving is an important aspect of any broad-based fundraising program. However, remember that only a small percentage of philanthropic dollars are given by corporations. Therefore, plan the time that you spend on soliciting corporate donations wisely and target the most likely prospects.

There are several effective ways to garner corporate dollars:

1. Utilize the business contacts of your board members and active volunteers to determine who the most likely prospects are.
2. Work with the corporation, as with major individual donors, to develop an awareness of the importance of your museum to the community and how its investment in your museum will aid the community.
3. Be open to offers of time by employees or executives of the company as well as gifts-in-kind (see the section below on gifts-in-kind).
4. Look for ways that a corporation may become a “sponsor” of a project, exhibit, program, or event. You will need to work with your treasurer/accountant and the corporation to determine whether the assistance you receive from a sponsorship is fully tax-deductible, partially tax-deductible, or not tax-deductible (i.e., a quid pro quo situation in which the corporation receives back from your museum a value equivalent to their sponsorships such as free tickets, corporate advertising/exposure, etc.).
5. Determine if the approach to the corporation is best made in a one-on-one “ask” of the president/CEO or whether the corporation has a foundation through which grant proposals are reviewed (see section below on grants).
6. Look outside your community for potential corporations with a tie to your community. Perhaps the CEO of a successful company elsewhere in the state grew up in your town. That tie to the home community may still be strong, and the CEO will be flattered that you value that relationship with the community.

Treat corporations as you do individuals:
- Thank them as many times as is appropriate and thank all of those in the corporation involved in making the gift
- Recognize their gift in a public way if appropriate—in your newsletter, on a donor recognition board, at a public meeting
- Ask them again to make sure they feel that their gift is a necessary part of your continued success

Corporate Matching Gifts

The concept of corporate matching gifts continues to grow. Many major corporations match dollar for dollar (or with an even greater match) contributions made to charities by their employees.

Be alert to which companies do this and always include a phrase in your mailings to the effect that the matching gift form from a company has been included.

Each company handles their matching gifts program differently, but the basic concept is that a donor initiates the matching gift from his or her company by requesting a form which the donor fills out and sends with each gift. An official from your museum then signs the form and confirms that a donation was received from the donor. Companies may limit what types of charitable organizations they will support with matching gifts.

Your effective ties to the corporate community may be able to encourage local corporations to begin a simple matching gifts program. There is something uniquely American about an employer wanting to validate an employee’s interest in a charitable organization by also giving to that organization. You may find also that some corporations may give philanthropic dollars in grant programs if their employees volunteer for an organization. You may wish to encourage your volunteers to see if their company has this type of program.

Foundation Giving

Too often museums look to grants as the only answer to their fundraising challenges. That big chunk of money looks really inviting, but a lot of time and effort can be spent trying to make a project “fit” with the goals of a foundation or in trying to come up with the matching funds required.

Once again, searching for grant money is just one aspect of a broad-based fundraising program. And, as with corporations, the amount of money given by foundations as compared with individual giving is relatively small. Therefore, focus your efforts on the most likely foundation prospects.

Types of Foundations

1. Independent foundations are those designated by the IRS as private foundations whose primary function is to make grants. Their assets have most commonly come from gifts of an individual or a family.
2. Company-sponsored foundations derive their funds from a profit-making business. They are independent from the corporation but function in concert with corporate policies and interests.
3. Operating foundations are private foundations which make grants to other organizations; however, their main function is to fund programs which they themselves conduct.
4. Community foundations are becoming more prevalent. They hold assets derived from many donors and may include funds restricted for a specific use by the donor. Community foundations generally serve a carefully defined geographic area; have assets managed by trustee banks; and are governed by boards and grant-making committees broadly representative of community leadership.
The Granting Process
1. Start with an idea that would interest a foundation.
2. Go prospecting for the right foundations.
3. Send requests to foundations for materials such as annual reports and requirements for grant seekers.
4. Read the materials and assess the possibilities. Discard those which are not relevant; the remainder are possible grantors.
5. Do everything you can to develop personal contact with the foundation.
6. Write the proposal from the standpoint of the foundation's interests while being true to your project and realistic about the project.
7. Mail the proposal.
8. Wait patiently; don't call to check on the process if the foundation says not to!
9. When you hear from the foundation, if a form letter rejection is received, don't spend more time on that foundation. If a personal rejection letter arrives, call and thank the person who signed the letter and ask for feedback. Follow up with a letter thanking the foundation for looking at the proposal. If the grant is approved, write a letter thanking the foundation for the grant.
10. Spend the grant money as proposed and follow up with the requested reports.
11. Apply to that foundation for future projects which fit their guidelines.

Common Elements of a Grant Proposal
- Make proposals easy to read: use headings and sub-headings to break up the text. Also have clear, sharp print, and be sure the application is neatly prepared and free from error.
- Don't be too detailed. The foundation doesn't need to know the minute intricacies of the workings of your organization, nor do they need a dissertation on your organization's philosophy.
- Don't furnish unnecessary statistics. Support your grant proposal with statistics and other appropriate data only and use that information only once.

Your proposal usually should include the following:
1. Cover letter signed by the head of your board and addressed to a specific person. Avoid name dropping. Don't bypass the foundation's process by attempting to go past program officers directly to its board.
2. Succinct project title and subtitle if necessary (10 words maximum).
3. Clear and concise summary, including the amount of support you are requesting.
4. Introduction describing your organization's qualifications.
5. Problem Statement or Needs Assessment documenting the problems to be solved or the needs to be met by the proposed funding.
6. Objectives stating the benefits of the funding in measurable terms. Avoid unrealistic objectives. It is often wise to include a time frame, describing the program's intended accomplishments step by step.
7. Methods describing the activities to be employed to achieve the desired results.
8. Evaluation plan for determining the degree to which objectives are met and methods followed. Explain the evaluation proce-

Gifts-in-Kind
Gifts-in-kind is a fancy way of saying that you've gotten something instead of money. A gift-in-kind can be a godsend, or it can be an albatross; your museum must use the same stewardship in accepting, rejecting, and accounting for gifts-in-kind as they do for monetary gifts. There are some important points to remember about this topic:
- Things that can't be used require time and money to take care of or dispose of, so don't accept them if you can't use them.
- Just because something is free one time (like postage stamps or refreshments) does not necessarily mean you will get it free every year; handle the accounting so that you know what it actually costs to put on a program.
- In accounting for gifts-in-kind, there must be an income entry offsetting an expense entry.
- Time is a very valuable gift-in-kind and must be included in your planning for any project or long-term effort. For example, if you have had a volunteer bookkeeper and suddenly do not, there will be a cost to your organization just to manage day-to-day bookkeeping tasks.

Special Events
Many museums and non-profit organizations depend solely upon a major annual special event for their funding needs. Reiterating the point made throughout this paper, a good fundraising program must be broad-based and must not depend solely upon one effort such as a special event.

Special events do have great value. They can fulfill two major purposes: first, they can provide significant funds; second they can garner loyal friends for your organization.

The accounting for your special event must be meticulous, and you and your board must be fully aware of the total cost of your event. It is so easy to say, "We made $5,000 on our history fair," when in reality, you took in $5,000, spent $4,500 in cash and 1,000 hours of time, and netted only $500 for your organization's annual budget. Was it worth it? It might have been. Did you reach new people in your community? Are they now aware of your organization although they were not before? Did you utilize volunteers effectively and strengthen their ties to your museum? Does everyone who attended and who worked on the event feel good about it?

More important, what were the goals of your event? Too often, events are undertaken simply because "everyone has an event; we should too." A special event should have a goal, a budget, a planning timetable, an implementation timetable, and an evaluation process. If these simple fundraising principles are followed, a special event can be an effective aspect of your overall fundraising program.
Planned Giving

The phrase “planned giving” seems to alarm many people. However, the vast majority of planned or estate gifts are bequests.

In developing your fundraising program, you needn’t worry about having all components in place at the start. Just soliciting and handling bequests appropriately will lead to success and the ability to fold in accepting charitable remainder trusts, lead trusts, insurance policies, real estate, and other instruments.

It is important to have a corps of resource persons who can talk with your museum’s friends who are interested in leaving significant resources to your institution. However, the most important things you can do are to establish a plan for how to handle bequests and to encourage individuals to leave a bequest to your museum.

Your newsletter can regularly include a statement reminding your members that the museum gladly accepts bequests. You will want to publicize bequests that you do receive and discuss how they benefit your museum. You may also want eventually to develop a simple brochure that states that your museum accepts bequests and that gives the appropriate wording used when making out a will (perhaps your corporate name is different than your museum’s name).

Good stewardship of bequests requires that your board establish a policy about what to do with money received from a bequest. Generally it is wise to invest this money, particularly if it is a significant amount, in a fund which will earn income for your museum. Museums must steer clear of the temptation to spend this “windfall” income on a project that may not yield long-term benefit to the organization.

Prospect Research

One basic aspect of your fundraising program should be in place. This component is prospect research. It does not, in and of itself, garner direct dollars but—when handled appropriately—it can lead to significant income in most of your fundraising programs.

Many museums already have a research component in their mission and it is therefore simple to add fundraising research as a component of research efforts. You will undoubtedly have staff and/or volunteers who are interested in research—about your community’s history, about your collections, about genealogy. Why not expand this effort and utilize staff and/or volunteers to research giving potential and access interest in your museum on the part of individuals, corporations, and foundations?

Fundraising is successful only when your efforts are targeted at those individuals and entities that are most likely to give to your museum. It goes without saying that information received in the prospect research process must be handled with confidentiality and tact.

Fundraising Success in Your Museum

Guiding Principles

1. The tone is set by your leadership. Every single board member and top-level staff member must give a reasonable monetary gift each year.
2. You must reach out as many times as necessary to renew 60 percent of your first-time and 80 percent of your ongoing donors each year.
3. Last year’s donors must receive special attention to assure their renewed and upgraded support.
4. Every effort must be made to “bring back into the fold” past donors who did not give last year. Prior donors are your best prospects.
5. Grantsmanship, corporate calls, individual major giving, and planned giving must be integrated into your program because these are the methods for securing the substantial gifts.
6. Research and targeting prospects are essential to successful fundraising.

Case Statements

Developing your case for support is an essential aspect of fundraising. It makes your request meaningful to a prospective donor and builds a connection with your constituency to validate your needs.

Don’t be afraid to develop a case statement. There is really no mystique about it. Robert McNamara once told Lee Iacocca, “You could sell anybody anything. But... put your great idea on paper. If you can’t do that, then you haven’t really thought it out.”

Fundraising is simply selling your organization, and in order to do that well you must think out your plan and put it in writing. A case statement is a written form of selling your organization.

A case statement is a clear, compelling statement justifying the request for funds. It becomes your resource material. From it will flow all materials that need to be developed or presentations that should be made.

- Use it to prepare your condensed printed case statement.
- Use it for preparing foundation proposals and government grants.
- Use it for developing direct mail packages and writing public relations materials.

Researching and planning for your case statement should involve your board, key staff members, and volunteers who are large gift donors.

The components of a good case statement include the following:

1. Mission: Succinct statement (one or two paragraphs) of your institution’s purpose—your reasons for being.
2. History: In chronological order, show how your organization has grown since its founding and discuss program growth and the people whose needs have been met over the years.
3. Needs: Be sure to include
   - Complete analysis of your service area and the people in need of your service
   - Projections of future trends in your service area
   - Analysis of the impact of present and future conditions on those you serve and your organization
   - Specific needs of those now served and those to be served three, five, and ten years from now.
4. Goals: A brief listing of what you want to accomplish in three, five, and ten years relative to the defined needs.
5. Strategies: Procedural details for meeting current, short-range, and long-range needs:
   - Objectives stated in measurable terms, within specific time frames
   - Facilities, staff, budgets, and evaluation methods to be used
   - A timetable that develops the sequencing of events or procedures.
6. Funding: From the budgets prepared in the Strategies section from part 1 of this technical bulletin, affix summary budgets or price tags for various programs or growth steps. Determine fundraising methods for each step or program.

In many ways, the case statement is like a master plan. It is a living, working document. It reminds you of where you have been, where you are now, and where you want to go. It is a provider of direction and a device for measuring success. As a working tool, it should be updated annually.

Telemarketing
There are many pros and cons to telemarketing. Unfortunately the word often conjures negative thoughts for those of us who don't like to be interrupted by a stranger on the phone at dinnertime. However, telemarketing—when used properly—can be a very effective friend- and fund-raising tool. Using the telephone can become an important aspect of your membership and individual fundraising programs.

There is much written about how to manage a telemarketing program effectively, but this can be summarized by simply saying that you need to develop a plan and goals just as with any other effective fundraising program. You might consider beginning by using trained volunteers to solicit individuals to try a membership in your organization. And then, use these same volunteers to check on your new members to see if they are satisfied with their membership. This feedback will allow you to improve your program on an on-going basis.

You also may wish to use a telemarketing program to solicit funds for a special project or a special exhibit, one that has high visibility. Your donors then become partners in the project and you strengthen their involvement with your organization.

The Successful Broad-Based Fundraising Program

Basic Components

Every successful fundraising program includes these basic components:
1. Finding your best prospects
2. Determining the best way (mail, phone, in person) to ask each group of donors for gifts
3. Asking for the gift
4. Acknowledging the gift
5. Recognizing the donor in some public way
6. Reporting accurately on the income and expenses of each aspect of the program
7. Keeping accurate donor and gift information so that your future fundraising efforts can be successful
8. Asking again and again.

Summary

Fundraising for your museum is an exciting challenge. In order to be successful, you must work toward developing a broad-based, on-going annual program that should eventually include these fundraising programs:
- Membership
- Targeted direct mail solicitation
- Personal solicitation for major individual gifts
- Corporate giving
- Grant proposals
- Gifts-in-kind
- Special events
- Planned giving
- Prospect research

You will be successful when your board makes its personal commitment to your museum and leads the way with their monetary gifts as well as their time and assistance in pursuing other gifts to the museum.

Donors must be treated as the special friends that they are. They should be drawn into the inner circle and thanked repeatedly for what they enable the museum to accomplish.

Developing your museum's case statement is the first and most important step in helping your board, volunteers, and potential donors know where you have been, where you are going, and what is needed to get there. It is a necessary component to make the step towards successful annual fundraising.

Remember, people give when they have been asked. And asking a friend to make a commitment—such as the one you have made, to something you believe in passionately—is easy.

Selected Readings

The following publications are available through the OMA lending library and the Oklahoma Department of Libraries. They may be borrowed on interlibrary loan from most public libraries.


Editor's note: Carol Norris Vincent retired in 1995 as director of development of the Indianapolis Zoo. She is the former part-time Coordinator for the Association of Indiana Museums. She has nearly twenty-five years of experience in the field of museum fundraising. This technical bulletin is reprinted with the gracious consent of the author.

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