



2008 U.S. FIGURE SKATING

CLUB FUNDRAISING GUIDE

The 2008 Club Fundraising Guide was compiled from many great sources to provide U.S. Figure Skating clubs with ideas, resources and the motivation to create a successful fundraising plan. Please keep in mind that each state has its own legal requirements for conducting fundraising efforts. All fundraising efforts for nonprofits must also comply with all IRS regulations. Before implementing any fundraising initiative, visit www.irs.gov to find out if your fundraising efforts are in compliance.

This guide was written for figure skating clubs that are nonprofit organizations that are tax-exempt under the provisions of 501(c)3 of the Internal Revenue Code. The IRS commonly gives nonprofit status to youth sports organization. If your club is not a 501(c)3 organization, many of the tax benefits of fundraising may not apply to your club. Please check your status with the IRS. This information should not be relied upon without review by legal counsel. The law may change, or your club may face a situation that differs in some significant respect from the information provided here.

INTRODUCTION

To whom much is given, much is expected.

A nonprofit organization is afforded many benefits by the government because it contributes to the common good and the quality of life in its area. Tax-exempt status is not a right; rather, it is a privilege given to an organization that meets and continues to meet certain requirements set by the IRS.

Nonprofits organizations receive exemptions from paying taxes on purchases and on property. Additionally, 501(c)3 nonprofit organizations have opportunities to receive charitable gifts that could be used as a tax deduction by the donor.

With these benefits also comes responsibility for accountability to your members and to the community. Board members have to judge what is best for the club when making decisions instead of considering how these decisions might impact themselves or their family personally. It is a difficult balancing act, but it is an expectation of those who are being led.

DUTY OF THE BOARD

The most important duty of a nonprofit board is to ensure the financial stability of the club. The primary goal of any nonprofit organization is to support its mission, and without financial stability, clubs will not be able to move their mission forward. For figure skating clubs, their primary goals might include support for their members and programs while promoting involvement in the sport.

To ensure financial stability, many clubs have to do fundraising to augment their membership income and ice sales revenue. While many boards plan their fundraising with good intentions, as tax-exempt nonprofit organizations, they must follow IRS laws to remain in good standing with the government.

When planning a fundraiser, a simple way to remain in good standing is by asking if the fundraising plan being proposed benefits the club as a whole or benefits only certain individuals. A fundraising plan to help the synchronized skating team meet its ice costs benefits the club since the club would otherwise have to cover those costs, and the team is open to all qualifying club members.

One common fundraising plan that some clubs use has fundraising dollars earmarked for a specific skater depending upon how much that skater raises. For instance, if John raises \$100 for the club, he receives \$100 off his ice time. Unfortunately, individuals cannot benefit from the money they raise nor receive credit for ice or other costs in exchange. John can raise \$100, but the use of the money would need to be distributed equally among the club.

FUNDRAISING REQUIREMENT

A club requiring members to participate in fundraising is acceptable as long as a member receives nothing in exchange for fundraising. If skaters (and their parents) are given an option to pay out their fundraising obligation, and the parents choose to pay the amount, it may not be considered a charitable gift because there is direct personal benefit for the individual, which is continued membership in the club.

This is referred to as “quid pro quo,” which means “something for something” in Latin. It is more or less an equal exchange of goods or

services. The individual received something in exchange for doing the fundraising.

GIFTS OF TIME

Individuals who volunteer for an organization should expect nothing in return nor should any benefit be associated with volunteer time. Some clubs have bartered for volunteers by offering ice-time coupons for hours volunteered. Since the ice time has a financial value, the clubs are in fact “paying” their members, and income tax violations can be cited on the club. If your club barter anything of value in exchange for volunteer hours, your club must file IRS Form 1099 for the members who had more than \$600 in benefits during the year, and the individual would be required to claim the monetary value on their taxes.

STIPENDS

Many clubs want to provide financial support for their skaters who have qualified for a sectional or national competition. It is a wonderful thing for skaters to have this financial support, but it is important for clubs to be thoughtful in how they provide the stipend. If the stipend is paid directly to the skater and is for more than \$600, then the club must have the skater’s Social Security number and complete a 1099 for the tax year.

A LITTLE BUSINESS ON THE SIDE

If your club is considering having a small business as a way to make money for the club, the board should do an assessment of the business plan to be sure that it doesn’t violate the IRS’s restriction on Unrelated Business Income (UBI) for nonprofit organizations and subject your organization to taxes and penalties.

For most organizations, an activity is an unrelated business (and subject to unrelated business income tax) if it meets three requirements:

1. It is a trade or business
2. It is regularly carried on, and
3. It is not substantially related to furthering the exempt purpose of the organization.

There are, however, a number of modifications, exclusions and exceptions to the general definition of unrelated business income.

- **Volunteer Labor:** Any trade or business is excluded in which substantially all the work is performed for the organization without compensation. Some fundraising activities, such as volunteer operated bake sales, may meet this exception.
- **Convenience of Members:** Any trade or business is excluded that is carried on by an organization described in section 501(c)(3) or by a governmental college or university primarily for the convenience of its members, students, patients, officers or employees. An example of this is a school cafeteria.
- **Selling-Donated Merchandise:** Any trade or business is excluded that consists of selling merchandise, substantially all of which the organization received as gifts or contributions. Many thrift shop operations of exempt organizations would meet this exception.

It is not the intent to discourage clubs from being entrepreneurial but to understand that the business itself might not be eligible to be operated under the auspices of their nonprofit. There are many nonprofit organizations that have created affiliated for-profit businesses from which they receive income. These businesses are sometimes referred to as “social enterprises” because the businesses are established solely to generate revenue for the mission of the nonprofit organization. Earnings are retained and reinvested rather than being distributed to shareholders.

Information on UBI can be found on the IRS web site at www.irs.gov/charities.

CHECKLIST: BASIC TRUTHS OF FUNDRAISING

Because conventional wisdom says fundraising is an uphill battle, boards charged with developing fundraising strategies and board members required to solicit funds must arm themselves with new attitudes and approach fundraising with these basic truths in mind.

- 1) **Organizations are not entitled to support; they must earn it.** Whatever good work an organization does, it must prove to its supporters the value of the work to the community and the efficiency with which the organization delivers.
- 2) **Successful fundraising is not magic** – it is simply hard work on the part of people who are thoroughly prepared. It requires planning, executing assessing and knowing who has the money and how much they can give.
- 3) **Fundraising is not raising money -- it is raising friends.** People who do not know your organization will give little at best. Raise friends, and you will raise money.
- 4) **You do not raise money by begging for it** – you raise it by selling people on your organization. No matter how good, valuable or efficient your organization may be, people will not give money unless they are convinced to do so.
- 5) **People do not just reach for their checkbooks and give money to an organization.** They have to be asked to give. People with money are accustomed to being asked for it. The worst thing they can do is say no.
- 6) **Don't wait for the "right" moment to ask -- ask now.** Once you have presented your case, ask for the money. Close the sale, find out what the objection may be and overcome it, or get turned down and move on.
- 7) **Successful fundraising officers do not ask for money --** they get others to ask for them. It is the development of officer's job to design and manage the campaign. The request to give should come from a volunteer within the prospect's peer group.
- 8) **You don't decide to raise money today, and then ask for it tomorrow.** Raising money takes time, patience and planning. Initiate a fundraising campaign before the need arises.
- 9) **Treat prospects and donors as you would customers in a business.** No successful business treats customers as if they had an obligation to buy. Prospects and donors must be told how important they are and treated with courtesy and respect.

From "Checklist: Basic Truths of Fund-Raising," which appeared in *Board Member* (NCNB, October 1997). It was adapted from *It's a Great Day to Fund-Raise* by Tony Poderis, available from FundAmerica Press, 2901 Istra Lane, Willoughby Hills, OH 44092, www.raise-funds.com.

FUNDRAISING BASICS

To effectively fundraise for your organization, you can start the process by answering five simple questions:

1. What's missing?
2. Why us?
3. Who can help us?
4. How should we ask?
5. How do we say thank you?

WHAT'S MISSING?

Your organization needs to assess what is missing from your program. Could your club be stronger and more competitive if you offered off-

ice training? Does your club need a new jump harness? This is the time for the board or fundraising committee or both to create the list.

Prioritize the "What's missing?" list and determine what the greatest need of your organization is. Having a "Wish List" is an excellent tool for planning, but it isn't something that should be used as a guide for fundraising. What you need and what you want for your club are important to clarify prior to moving forward.

The first step in accomplishing an effective fundraising project is to have precise and easily communicated objectives and budgets. It is one thing to simply decide to have a fundraiser to raise money, and it is quite another to also have a well-prepared budget, including an itemized and prioritized list of items that is supported by the fundraising dollars. To simply go out and try to raise the money without any specific purpose will not result in success.

You must have well-defined goals, and they must be communicated to all club members who will actually do the fundraising. In the end, you should be able to assess your success or failure based on those original goals, and then decide on future improvements.

Ideally, it is important to have these goals clearly spelled out and included as a part of the package that you present to your club families when you announce the fundraiser. If you are trying to raise funds in order to provide club outfits, skater development programs or support skaters to traveling to competitions, you need to specifically state these needs to the families.

Whatever your project, make sure it is not a one-person show. Members will want to feel included but not railroaded, so involve them from start to finish. Appoint an energetic and resourceful publicity chairperson. The best plans can go astray if they're not well publicized.

WHY US?

This is a question you have to answer to prepare yourself for the question you'll get from the prospective donor: Why should I give you my money? What is it about your organization that merits financial support?

In fundraising terms, it is called "Preparing your case for support." If you can't explain in clear terms why their support is needed, your chances for success diminish. Take a look at your organization and list all the ways in which your organization gives back to the community and individuals, and how you would do even more if you have their financial support.

It is very helpful to also tell the prospective donor about your past successes and how you would steward their gifts. Many individuals and corporations might view their gift to you as an investment in their community, so be prepared to answer the question, "What's the return on my investment?" (They're not expecting you to pay them back when they ask this question; they just want to make sure their money is being used wisely, and that you're responsible for telling them how their gift can impact that community.)

WHO CAN HELP US?

When the question "Who can help you?" is asked, several board members will say, "Everyone. We don't want to limit ourselves."

It is a noble sentiment, but would everyone really be willing to make a gift to your organization?

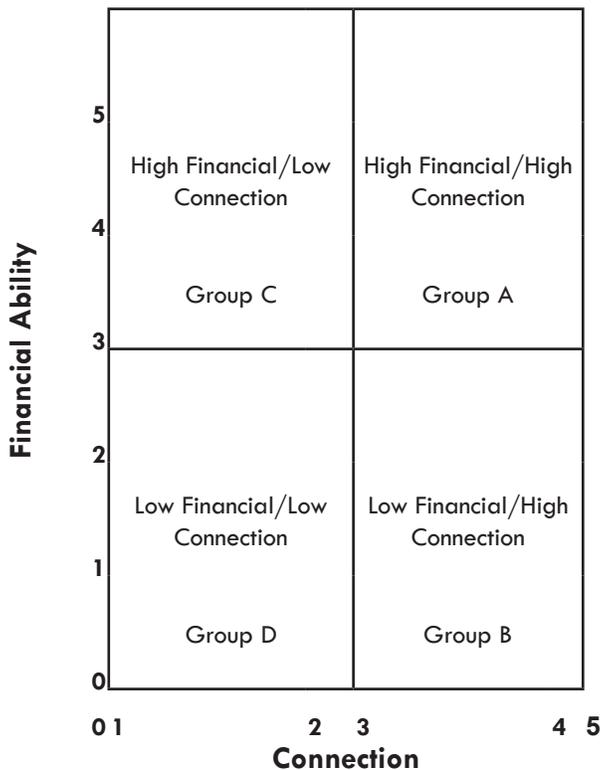
And even if everyone could or would, how could you reach that many people? This question is meant to help you fine-tune your list of prospects. The board should take time to create and discuss a list of prospects.

During that discussion, the board may want to rank its prospects using a rating system. There's a very simple rating system that can be used to determine if an individual or business would be a strong prospect for your club.

First, on a scale of 0-5, rate their relationship to your organization. “Zero” is if they have no knowledge of you, and “five” is they know your organization and have a strong connection to you.

Second, rate their ability to financially support you. “Zero” or “one” is they have a low financial ability while “five” is they have a strong financial ability. If you really don’t know, rate them a “two” or “three.”

Finally, put these individuals and businesses in a four-quadrant chart. As you are planning your campaign, you might prioritize your prospects as such: those with a high financial and high connection are those you would approach first, then Group B, Group C and Group D.



HOW SHOULD WE ASK?

The most important ingredient to determining fundraising success is the “Ask.”

If you have answered the previous three questions honestly and completely, you’re ready to move into the most important part of fundraising: the Ask. For many people, it’s also the most intimidating part of fundraising, but it really shouldn’t be if you believe in what you’re doing and have prepared yourself.

Practice, practice, practice

Professional fundraisers would never go to a meeting with a prospective donor without practicing the visit with a colleague, and as a volunteer fundraiser you should do the same.

You don’t have to do it alone. There are times when it is more effective to have another person come with you. Perhaps that person has a stronger relationship with the prospect or has a personal story he or she could share about the impact of the gift. Some prospect might find it harder to say no to two people instead of one. Be sure to practice “the ask” together as a team so you can be sure you are presenting in a professional manner.

If, when making the appointment for “the ask,” the prospective donor asks if you’re coming to request money, tell them you will be discussing fundraising, but that that is not the sole purpose of the visit. You want to talk about your organization, tell them about recent success and discuss

opportunities for support in which you think they might be interested.

Ask for a specific amount. You might say, “I don’t know anyone’s personal financial situation, but a gift of \$1,000 would make an impact on our program. Can we count on your support?” If the individual becomes wide-eyed at the amount, it is important not to panic. That person might be surprised that you asked for that amount, not that the amount isn’t realistic. Wait for the answer, and then come back with a second option that is relationship to the original amount. Don’t go for less than half the original amount. A third option is not unheard of. Finally, if they refuse all three amounts, ask them if there is an amount with which they are comfortable.

After making “the ask,” close the deal by using positive language such as “Can we count on you for your support?”, “Is there any reason why you wouldn’t be able to support us?” or “Is this an opportunity you are willing to invest in?”

If the prospect asks you to follow up with them, be sure to set a date for the follow-up and confirm it before you leave the meeting. “So, Mrs. Johnson, I’ll be calling you Monday to confirm your support.”

Allergic to fundraising

While the hockey idiom of “You miss 100 percent of the shots you never take” might apply, in fundraising it is closer to 80 percent, because some individuals will just step forward to give. Unfortunately, the size of the gift is more likely to be smaller than what you would have asked for.

It’s odd, but many people have the dangerous belief that asking people for money is annoying, embarrassing, disrespectful or rude; it is none of those. Ask in a clear, concise and direct manner and the prospective donor will appreciate your professionalism.

Don’t say, “Maybe you’d like to make a gift, but it’s Ok if you don’t want to. We’re not a big or important organization, so we’d completely understand if you say no.”

That might be an exaggeration, but it has been known to happen. It’s disrespectful of the donor’s time and intention, and a horrible way to represent your organization.

HOW DO WE SAY THANK YOU?

The donor said yes and wrote you a check right on the spot. You said thank you with sincerity and appreciation oozing out of your pores. So, are you done?

Yes and no.

Yes, you’re done, if you won’t ever need another gift from that individual or his or her business or friends.

No, you’re not done because saying thank you in unique and special ways is the best way to retain and cultivate your donors. You can say thank you more than once, and what really impresses donors is receiving information about how their gift made a difference.

Send the first thank you to the donor with any tax information or receipt. This thank you could come from the board president or chair. Send a second thank-you note after the gift was used and describe the impact of their gift. Having this note come from a participant in your program could add significance for the donor.

Find a way to publically recognize the gift using the club’s web site, show program, newsletter or all three. Be sure to ask the donor how he or she would like to be recognized. (Would they like their name to appear “Joan Johnson,” “Joe & Joan Johnson,” “Mr. & Mrs. Johnson” or “The Joe Johnsons”?) Some might not want to be listed at all, and that request should be honored.

WHAT’S NEXT?

Fundraising is rarely a one-time event, and it’s most likely that you’ll need to start the process over again. But now that you’ve been through it once, it will be easier to plan and execute next time.

ORGANIZATION STRUCTURE FOR SUCCESS

While fundraising is everyone's responsibility, identifying leaders and assigning responsibility for various duties can improve the chances for success.

FUNDRAISING CHAIRPERSON

Look around your club and try to find a person who has good organizational skills and is dynamic and outgoing. You must find someone who has the time – and the desire – to devote to this effort. In addition, they must be willing to delegate responsibility. This person is the real key to the success of your fundraiser.

FUNDRAISING ORGANIZATION

Once you have a willing chairperson for your fundraising activities, it is necessary to develop the organizational structure of the committee. There are many successful structures, but the one that is consistently successful is one that has several group leaders who report to the fundraising chairperson. Each of these leaders should have groups of parents for whom he or she is responsible.

Each of the group leaders should have no more than 10 families for whom he or she is responsible. It should be up to each of these group leaders to make periodic contact with the families within their groups to see how they are doing and to do some motivating when necessary.

The fundraising chairperson should meet periodically with the group chairpersons to see how they are doing and to receive progress reports.

PARTICIPATION CHALLENGES

U.S. Figure Skating recognizes that it is very difficult for many clubs to get all members and families involved. Here are a couple suggestions to ease this frustration:

First, make it FUN! Participation leads to more funds raised. This is a very simple concept, but it is something many clubs seem to overlook.

Second, many clubs have instituted a fundraising requirement for all families that don't participate in club fundraising. The fees range from \$25 a fundraiser or up to \$1,000 for the whole year. It is pretty certain that families will want to get involved in a fundraiser over paying a flat fee, but it does give busy yet supportive families options.

MOTIVATIONAL CONTESTS

Many successful fundraising campaigns have contests associated with them. For example, a club will issue a challenge to members to see who can raise the most money. Whatever the challenge, there must be a reward for the winner. This can be left up to the imagination of the club.

FAMILY GOALS

Families are key to a successful fundraiser, and to meet your overall goals there must be a goal for each family. Even if you have been quite precise in setting and explaining the overall goals, you must communicate these goals to each and every person responsible for raising funds.

If your overall goal is to raise \$20,000 and you have stated exactly why you need the money, you still will not effectively communicate your program unless you make certain that each family clearly understands what it is expected to raise. If your club has 100 families, then you need to state that each has a goal of \$200. Each must know what the club expects of it.

INCENTIVE AWARDS

If you need for each family to raise a minimum of \$200, you may wish to provide some special incentive for those exceeding that amount. You will always have the "doers" and the "non doers," but a reward sys-

tem for those who exceed their quotas is a strong motivation for many people. The beauty of such a program is that you only reward those who raise more than what the club expects.

These rewards can be in almost any form, but one successful program was set up so that those who exceeded the goal by \$100 received club merchandise, \$200 gift certificates, etc.

PERIODIC UPDATES

It is important that you have some method of communication so that you can update all members on the status of the project. If there is no communication, it is very easy for people to forget about the project. Your club newsletter and web site are good tools for keeping people informed in a timely fashion.

You might also consider having a thermometer with a "zero" on the bottom and something over your goal written on the top. Make sure you scale the thermometer so that the dollar goal is on one side and percentages of that goal are on the other. Make certain that the actual goal is highlighted. You might also consider keeping a large-scale thermometer in the lobby so that the skaters see it each day during practice.

AFTER THE PROJECT ENDS

Record keeping is very important. Make sure to take notes on problems and benefits of each fundraiser that you do, and keep a journal if possible. Someone else will probably have the job next time around, and you will make life much easier for him or her if you have good records.

Be sure to properly thank those who donated funds. You might consider a small plaque to present to them. At the very least you should write thank-you letters to all significant donors. This also makes it much easier to solicit funds from that person or company again in the future.

HELPFUL FUNDRAISING TIPS

It is important to keep in mind that, as with anything, fundraisers improve with time. Most clubs admit it takes a couple years to iron out all the wrinkles in their fundraisers. If you try a fundraiser and it fails, do not give up on it – improve it! Reach out to others, seek advice and give advice. Through this dialogue, ideas can be passed on to others, and our sport will continue to grow strong as it has all these years.

- Consider your strengths and resources when choosing a fundraising activity.
- Even though you may have to invest a great amount of money at the beginning of a project, if implemented well, the project will pay for itself, plus more.
- The key to success with your club's fundraising is participation and enthusiasm from everyone involved.
- Make sure to promote the project with the local media (news-papers, bulletin boards, radio stations, etc.)

Ingredients of a successful fundraiser:

- Enthusiasm
- Planning ahead
- Setting goals and deadlines
- Being painstakingly organized
- Keeping checklists and precise weekly reports
- Holding true to set goals and accomplishing them
- Don't just ask people for money – go out and work for it!
- Making the fundraiser a priority and expressing this to everyone in your club
- When asking individuals and corporations for support, always ask for a specific amount
- Delegating responsibilities
- Making sure your fundraiser is fun. Families will participate if their child is excited about the process.

Questions you should ask yourself:

- Is this fundraiser fun?

- Is it exciting?
- Would I buy what the club is offering?
- Does it involve other people?
- Does everyone understand our objective?
- How does it serve to promote our overall goal?
- Has it worked before?

Other Suggestions:

Prize incentives are one of the most important aspects of any fundraiser. If you're concerned about the cost of prizes, contact local stores and ask for donations.

Whether you are raising \$500 dollars or \$50,000, the principles are the same. The following outline has been adapted from the book *Fearless Fundraising for Nonprofit Boards* by George Worth and is published through BoardSource. The booklet can be purchased through its web site at www.boardsource.org. Hopefully, this outline will motivate your board into creating a fundraising plan.

1. Create a Fundraising Plan

- Determine how your club needs to raise annually
- Articulate your unique niche (what makes you different)
- Seek out and know your donors and prospective donors
- Create a plan, work the plan and evaluate the plan

2. The Board's Role

- Personally support the fundraising effort (make a gift!)
- Fundraising is an integral part of board service
- Three fundamental board tasks:
 - Stewardship
 - Sustaining capacity
 - Preserving credibility and accountability

3. Board Commitment and Responsibility

- Board acts unanimously in its commitment
- Believe and live the mission of the club
- Be involved in organization's fundraising
- Make a personal monetary contribution

4. Why Each Board Member Must Give

- This commitment gives credibility to donors
- Commit to 100 percent participation from the board
- Individual board contributions give board members the confidence to ask others to give

5. What motivates a donor?

- Donors want to make a difference
- Share their good fortune
- Their personal beliefs can be expressed in a tangible way
- Invest in a worthy cause
- Demonstrate their commitment to the cause
- Knowing that others are contributing
- Someone they respect approached them
- They want to change the status quo
- Want to be associated with the organization
- Deriving tax benefits

6. When Do Donors Give?

- If they are involved in club or cause
- You listen to them
- Your "ask" pulls at their heart strings
- Your "ask" appeals to their passion for the organization
- Contributions are used wisely
- Someone they respect asks them to give
- Believe contribution will make a difference
- Wish to pay tribute, in honor of, etc.
- Support the mission and want to move forward
- Receive appropriate recognition for gift
- Feel good about donating, results
- Pay a personal debt

7. Why Do Prospects Fail?

- Solicitation was ineffective
- Information was lacking about difference gift made
- Never felt wanted or needed
- No direct or personalized appeal
- No one asked them to give again, or to consider giving more
- A previous gift was not acknowledged

8. Make Your Case

- *What* need does the club fill?
- *How* is the club filling this need?
- *Who* is the club: its leadership, its record, its mission?
- *Why* should a donor contribute?

9. Create Your Elevator Speech

- Think of the Who, What, How and Why
- Put several sentences together
- Time is limited to 30-60 seconds
- Practice this speech so it's natural and rolls off your tongue

10. Preparing for the "Ask"

- Practice your presentation
- Take someone with you
- Have an amount in mind
- Use inviting language
- Focus on worthiness of the campaign

11. Board Fundraising (Friendraising) checklist

- Brainstorm prospects
- Provide names
- Research info
- Prepare materials
- Recruit volunteers
- Facilitate introductions
- Personally distribute invitations
- Write testimonials
- Participate in evaluation
- Assist special events
- Sell, visit, host
- Establish planned giving

12. Board Fundraising Checklist: Solicitation

- Contact local businesses
- Personalize campaign
- Increase your donation
- Request contributions
- Solicit cash contribution
- Accept leadership role

Worth, George (2003). *Fearless Fundraising for Nonprofit Boards*. BoardSource, www.boardsource.org

CORPORATE, PRIVATE AND FOUNDATION GIFTS

CORPORATE GRANTS

Corporations sponsor sports on many different levels, from the Olympic Games and other international events to local youth sports programs. No matter what level, creating corporate sponsorships requires that sports administrators understand the criteria corporate sports marketers use in judging whether a proposal will assist them in accomplishing their corporate goals.

To a large extent, that means the demographics, seasonal timing and geographic location of the sporting event or events should match the marketing plan of the corporation and that the image of the sport should be one that reflects favorably on the sponsor's products and services.

Commercial and industrial corporations are an outstanding source of financial support. Most large companies want to be good neighbors and try to actively participate in the growth and development of their communities. One way to do this is by setting aside money to be distributed to local projects, like your skating club.

Many problems can be avoided by meticulously investigating what types of projects a particular company has funded in the past. If the project does not match the company's interests, do not pursue the company.

The first rule is to always to meet deadlines.

The second rule is to always answer all the questions in the order they are asked.

A well-prepared proposal will always imply how that project may have influential support in the community.

INDIVIDUALS

"The only thing that is certain about raising money from individuals is that someone from the fundraising team will eventually have to sit down and ask for a definite amount from the giver. One simple guideline to follow is that 'the right person must ask for the right amount at the right time.' The more time spent learning about the potential giver, the easier it will be to follow this guideline." (McKenzie, 1988)

FOUNDATIONS

One benefit of foundation funding is that the chances of a group getting continued funding increase if a group has a successful year. A great resource to tap is the Foundation Center at 800.424.9836 or www.foundationcenter.org.

Another way of getting information is to visit one of the more than 100 libraries with collections of valuable foundation documents and information. In addition, many of these libraries house copies of the federal tax returns of these foundations. With this information, you can find out exactly how much each foundation gave and to what group it donated.

GETTING STARTED

Allow plenty of time! Look for grants from foundations, corporations, and local, state and federal governments. In almost all cases, your club needs to have 501(c)(3) status. Only submit a project that is a priority to your club and fits the interest of grantor. The applicants' interests and intentions that are consistent with those of the grant-making organization are most likely to receive support.

FIDUCIARY RESPONSIBILITIES OF BOARD MEMBERS

One of the main responsibilities of board members is to maintain financial accountability of their club. Board members act as trustees of the club's assets and must exercise due diligence to oversee that the club is well managed and that its financial situation remains sound. The following questions and topics outline how board members can fulfill their role as fiduciaries.

WHAT DOES "FIDUCIARY" MEAN?

Fiduciary duty requires board members to stay objective, unselfish, responsible, honest, trustworthy and efficient. Board members, as stewards of public trust, must always act for the good of the club rather than for the benefit of themselves. They need to exercise reasonable care in all decision making, without placing the club under unnecessary risk.

— UNDERSTANDING — FINANCIAL BASICS

Not every board member can be a financial wizard. Every board member, however, needs to be a financial inquisitor. It is essential to understand basic terminology, to be able to read financial statements

and judge their soundness, and have the capacity to recognize warning signs that might indicate a change in the overall health of the club. If a board member does not understand something, he or she must be willing to find out the answer.

Specific questions board members should ask:

- Is our financial plan consistent with our strategic plan?
- Is our cash flow projected to be adequate?
- Do we have sufficient reserves?
- Are any specific expense areas rising faster than their sources of income?
- Are we regularly comparing our financial activity with what we have budgeted?
- Are our expenses appropriate?
- Do we have the appropriate checks and balances to prevent errors, fraud and abuse?
- Are we meeting guidelines and requirements set by our funders?

SETTING UP AND MONITORING KEY FINANCIAL INDICATORS

Having the proper tools to monitor and evaluate financial performance strengthens the board's capacity to judge the health of the club. Board members need to agree on general guidelines and standards to measure the effectiveness of club accomplishments. Appropriate policies must be in place to guide management and board decision making.

ENSURING ADEQUATE CONTROL MECHANISMS

Control mechanisms are not intended to detect fraud but rather to prevent it. Ensuring clarity in job descriptions and responsibilities; defining financial and accounting procedures (signing checks, handling of cash, approving expenses, outlining parameters for credit card usage); managing potential conflicts of interest with a clear policy; and requesting regular external audits are all manifestations of fiduciary responsibility.

APPROVING THE BUDGET

The budget creates the framework for program management and overall administrative decisions. The annual budget approval process helps curb any tendency for the board to micromanage. Securing necessary funding is part of a viable budget. Examining financial statements regularly and comparing actual figures to projected ones allow the board to verify that the general guidelines stay on track. The board should question any major variances.

OVERSEEING THE CLUB'S LEGAL OBLIGATIONS

The board verifies that all filing requirements and tax obligations are completed. The club must fill out Form 990 completely and file it on time. It must regularly withhold and pay employment taxes. To avoid intermediate sanctions, the new IRS regulations on nonprofits' financial transactions, the board must document and justify its executive compensation.

— FUNDRAISING IDEAS —

SCRIP PROGRAMS/RETAIL COUPON REBATE

The buying power of the families in your club is concentrated on one grocery store, cleaners, gas station, etc. Your combined families' purchasing power can be significant to them.

On the local level, solicit a business on the basis that your club will support that business if it establishes a coupon rebate program that will result in a rebate/donation on a quarterly or semi-annual basis. You can have each of the businesses print coupons and give them to you. Then, distribute the coupons to the families in your club. When a

family makes a purchase at the store, they give a coupon to the cashier who will write the purchase price on the coupon and turn it in to their manager. The store will tally the coupons periodically and issue a check based on the percentage rebate that you have negotiated. Rebate percentages can be any amount, but a range from 1 percent to about 5 percent is workable.

Even easier, many chain stores or grocery stores have well established "Scrip" or store shopping card programs. Speak to the store manager for details.

RECYCLE OR SELL SOMETHING

Old newspapers: Schedule and publicize a door-to-door collection. Members with vans and pick-up trucks can pick up the papers and deliver them to the recycling center. Draw maps of driver's assigned neighborhoods and the route to the center.

Aluminum cans: Rinks and clubs might save and collect used aluminum cans. Set up a place to store them and periodically schedule a parent to deliver the cans to the collection center.

Paperback books: Just about everyone has a bunch of paperback books they would be willing to unload if asked. Sell them at your principal skating headquarters, ask permission to set up in front of a local supermarket or drug store, or sell them on consignment at a used bookstore.

House plants: Ask talented gardeners in your club to donate cuttings of their favorite plants for a plant sale.

Plastic bottles: Some states have a redemption value on plastic bottles. Clubs should have a collection bin into which their members can deposit their empty containers.

SET UP A BUSINESS

If your group is large and has been in existence for a long time, consider setting up a continuing sales operation for service to members or outsiders.

Equipment re-sale: Organize a selling service for skating attire, equipment and materials. Sellers set their own prices. Your club labels and sells the items and receives an agreed-upon commission from the sellers. This is especially successful during Basic Skills lesson times and fall kick-off parties.

Cookbooks: Get members of your club to submit their favorite recipes and arrange to have them published by a local printer in an inexpensive format.

Craft fair/club garage sale: Arrange to use part of a large shopping center or school parking lot on a weekend afternoon. Rent space to people and others who want to sell their wares, as well as homeowners disposing of their "white elephants." Each rental unit could be on a parking space, with a rent of \$25 to \$50. Advanced publicity is important. Mount a giant poster on the roadside on the day of the market to attract passersby. Come early to rope off the donated area and number the spaces. Then, greet your renters and assign them their spaces. The sellers provide their own tables and pocket the profits.

CASH IN ON THE FITNESS FAD

Skate-a-thon: This is relatively simple to organize. Select the date and secure ice time. Participants collect flat pledges or per-lap pledges. Skaters bring a counter with them on the day of the skate-a-thon to count their laps skated. Make this a fun event, with music and food for the participants. One hundred laps maximum should be stated on the pledge forms. Skaters collect their pledge money and turn it in. You can have a grand prize for the skater with the highest earnings.

Golf tournament: This is one of the hottest things around, but it can be very time consuming. Arrange for prizes and charge registration fees. To vary the tournament, try co-ed or contact local celebrities and prominent civic and business leaders about participating.

FRESH CITRUS FRUIT SALE

The Department of Citrus in Lakeland, Fla., can provide the names of companies who are in the business of marketing fresh oranges or grapefruit during the winter and spring seasons. These companies will ship a full truckload of oranges and grapefruit directly to you. You pre-sell the fruit and turn in your orders to the company with which you contracted. It will then ship the fruit to you and make arrangements to either deliver the fruit or have the people pick it up at a predetermined time and location. Although you negotiate the margin with which to work, you should make about 50 percent or more. The actual number will depend on the price of the fruit.

STADIUM OR SPECIAL EVENT SERVICES

Contact local stadium authorities or event organizing committees to explore needs at events like college or professional sports events, golf tournaments, NASCAR races, major road races, etc. Contract to provide services such as set-up and/or clean-up labor after each use, program sales, parking attendants, run concession or vendor booths, etc. Depending on the circumstances and the size of the event, payment for services can range from \$1,000 to \$8,000 per event.

HOLIDAY FAIR

Select a chairperson to organize the fair. Secure a church or community hall for the fair to be held. Select a person to contact merchants to bring in their crafts, Christmas or holiday gifts. Ask talented people to make holiday gifts, trimmings, etc. Select a ticket chairman to sell tickets to the holiday fair. The merchants and/or craft people donate a percentage of their sale to the club. Club members and parents make and donate items to be sold.

CLUB DECAL OR BUSINESS SUPPORT

Teams rarely do anything for businesses, but if a club designs a program that will benefit the businesses as well as the club, it becomes good for both. Produce a decal or window sticker at least five inches in diameter with your logo prominent. Add the phrase "We support (club name)." Contact local businesses for donations of services, merchandise or cash. In return for their contribution, give them the decal to put in their window. Publicize the support in your newsletters and encourage your families to patronize that business as often as possible. Consider making this an annual program. If you do, add the year to the decal or sticker. Consider asking a business for a donation of \$100 per year. One business per family – 50 families x \$100 generates \$5,000 a year. Businesses will notice increased sales due to constant publicity from your club.

BINGO

The specifics of the Bingo operation that are in use by clubs throughout the United States are too numerous to discuss. There are state and local laws that impact the use of Bingo as a fundraiser, so the first step should be to become familiar with those laws. Weekly or monthly Bingo games take a lot of time and dedication from the parents' group. You may want to consider doing an annual or semi-annual Bingo at town fairs or events. Remember that you will be competing with many schools, churches, bands, etc., for community interest in your Bingo game. The information we have received indicates that profits in excess of \$100,000 are well within the realm of possibility.

RAISE MONEY ON THINGS PEOPLE BUY ANYWAY

Schwan's sells and home-delivers frozen foods in various areas of the United States. Your club would take orders for Schwan's products, collect the funds and mail the order forms with the balance due, and the company takes it from there. The club retains 30 percent of the sales up front, and Schwan's delivers the product to the customer, so there is no packaging and delivering on the part of the club. Schwan's products have a 100 percent satisfaction guarantee. Clubs can go to www.schwansfundraising.com and get all the information online along with a number to call with questions.

NON-TRADITIONAL FUNDRAISING IDEAS

UNUSUAL AUCTION/ART AUCTION

You might be surprised at how many people are willing to donate goods and services that you can sell to the highest bidder. A list below offers suggestions of items that can be auctioned off or put into a silent auction format. Silent auctions, where attendees write in their bids on a bid-sheet posted with the item while touring the exhibits, have increased in popularity and success.

EXAMPLES:

- Private skating lesson taught by a club professional
- Luncheon or dinner with a celebrity
- A complete catered package, prepared by a group from your organization
- Offer hors d'oeuvres, set up waiters and bartenders for a cocktail party, or provide all the makings for a wine-and-cheese party. Specify the number of guests to be entertained, and set the minimum bid to be sure of covering costs and earning a reasonable profit.
- A session of free skating lessons
- A child's birthday party, planned and conducted
- Personal items of celebrities, such as a tie, scarf, autographed book or campaign button
- Free tickets to a performance
- Private tour of a museum or theater by the director
- Dinner at a restaurant
- Original works of art by local artists
- Weekend getaway at a resort
- Solicit local businesses to donate items such as gift certificates

"TOWN-OPOLY"

Pride Distributors of West Bloomfield, Mich., offers a Monopoly board game that can be customized to your city. You sell ads for each of the 28 spaces on the Monopoly board. Once printed, the game is then sold to the public, with revenues going to the club. The game can also be sold to the advertisers, who can distribute the game and advertise for themselves. For more information, contact Townopoly at 800.451.5442, pride@prodigy.net or visit the web site: <http://www.fundraiser.com/pride-distributors-inc/boards.html>.

THEME DANCE (SWING, 50S, 60S, COUNTRY)

Solicit a community center or a high school auditorium to let you use its space for your theme dance. Hire a DJ, sell tickets, get local advertising and have fun. Additional money can be raised through raffles and sponsored dance marathons pledges.

TENNIS BALL DUMP

Buy lots of tennis balls and number them in permanent marker. Sell the balls for \$2 at a local grocery store. Let people know about the future "dump" and where and when it will take place. Have everyone come to a designated hill and put their tennis ball into some kind of dispensing apparatus (i.e., a dump truck) – be creative. The balls are let loose simultaneously, and the first ball to hit the finish line at the bottom of the hill will win its owner a percentage of the money that was collected from selling the balls.

RUBBER DUCKS AFLOAT

The same concept as the tennis ball dump, but use rubber ducks instead. Place the ducks in a local river. Make sure to mark off a finish line a short distance from the launch point and have everyone place his or her ducks in at the same time.

GIFT BASKET CONTEST

Groups would create themed gift baskets that would be judged and awarded a prize of some type. The gifts baskets would be donated to the organization to auction or sell.

THE 13 BIGGEST FUNDRAISING MISTAKES

Call them what you will – gaffes, blunders, oversights, errors – but mistakes creep into everyone's professional life. In fundraising, unlike in other areas, where thousands if not millions of dollars are often at stake, mistakes can be especially hazardous.

While there may be hundreds of them, 13 potentially costly fundraising mistakes stand out. They aren't ranked in any particular order, since circumstances alter their impact, but they are listed below in an effort to raise awareness of them.

1. Thinking Your Organization Will Attract Support Simply Because It's a 'Good Cause'

Just because you have a good cause – one of thousands, really – doesn't mean money will find its way to you. Organizations must attract support the old-fashioned way – earn it. Giving away money is something we all do reluctantly, and it's hardly an instinctive act. Nonetheless, people will support you if you present them with a challenging project that is consistent with their interests. To succeed, you must explain exactly why you seek the funding, why your project is compelling, who will benefit and why the money is needed now. In other words, your needs – presented as opportunities – must be specific, people oriented and have a sense of urgency.

Always keep in mind that people give in order to get. They don't simply want to give away their money; they want to feel they're investing it and getting something in return.

2. Thinking That Others Can Raise the Money

Successful fundraising abides by the "Rock in the Pond" principle. That is, you can't expect others to contribute until those closest to the center of your organization do so. The farther from the center of the pond, the weaker the interest will be. In short, solicitation starts with your inner "family" – most notably, the board. Only when these individuals have made proportionately generous contributions do you reach out to your external constituency. If your governing body won't do so, who will?

3. Believing That Because People Are Wealthy, They Will Contribute to You

Simply because someone is wealthy, or thought to be wealthy, is no reason to assume he or she will want to give to your project. People make gifts only after you've reached out, informed them of your work and meaningfully involved them in your organization. It is then that the prospective donor understands your goals, recognizes their importance and welcomes the opportunity to have an impact.

4. Failing to Ask

Very often when campaigns fail, it's not because people didn't give but because they weren't asked. In fundraising, asking is the name of the game. The problem is, only for the rarest person is asking for a gift easy. For most of us, the discomfort is so strong that we'll invent 100 excuses to procrastinate. Despite any training, despite any inspirational send-off, asking will always be the biggest challenge.

5. Failing to Have Deadlines

By nature, most of us are procrastinators, and whatever we have plenty of time to do, we seldom get done. For many, if not most, volunteers, the thought of asking someone for a contribution leads to procrastination. To counter this, you must press for specific accomplishments within prescribed deadlines. In other words, to force action you need a campaign schedule with target dates understood by all. Everyone will then know the rules of the game and, despite the pressure, will be grateful for the deadline.

6. Failing to Cultivate Donors

Cultivation, a sustained effort to inform and involve your prospects, is

needed for practically every gift – the bigger the gift, the more preparatory steps are usually needed. The best cultivation, which uses a mixture of printed matter, special events and personal attention, takes place slowly over a period of time, sometimes years. If there's any secret to it, it is being yourself and cultivating people the way you would want to be cultivated – that is, with simple sincerity, not glitzy programs.

7. Failing to Set a Realistic Goal

In all but the newborn nonprofit, it's a mistake at the outset of a campaign to say, "We'll raise as much as we can." This often reveals to prospective donors that your board or staff hasn't analyzed the organization's needs. Rather, a tenable dollar goal should emanate out of your organization's growth pattern and the (evaluated) financial ability of your prospect list. It is not, as some may assume, simply a percentage increase over last year's gross, nor is it necessarily the difference between the total dollars you need, less expected income.

8. Failing to Train Solicitors Adequately

No matter how virtuous your project or organization, most prospects need to be sold on contributing. You must, therefore, have a team of highly trained solicitors – a "sales force," if you will. Generally, you'll be dealing with three types of volunteers, each requiring slightly different treatment. First is the rookie who wants to help but needs detailed instructions. Second is the veteran of many campaigns who needs special prodding to attend trainings. And third is every volunteer who's being introduced to new procedures.

9. Failing to Thank Your Donors

Thanking donors, besides being polite, is an act of cultivation, and a smart one. People appreciate when their generosity is recognized. They not only feel closer to your organization; they're inclined to continue giving. Most important with thank yous is to acknowledge gifts positively and quickly. You want the donor to know your trustees are aware of the gift, that his or her generosity will stir others to give, and that your organization will put the money to good use.

10. Failing to Ask for a Specific Gift

The need to ask for a specific gift is one of the most misunderstood – or it is feared? – principles in raising money. "Will you join me in giving \$500 to the Wakefield Symphony?" leaves no doubt as to the size of gift the solicitor is requesting. Most prospective donors need and want guidance. By requesting a specific amount, you show you've given thought to your drive, and you put the prospect in a position of having to respond. The suggested amount becomes a frame of reference, one that will get serious consideration if the solicitor is a friend, peer or respected community figure.

11. Failing to Focus on the Best Sources and Methods

Nearly every board hopes it can raise the money it needs from foundations and businesses. These sources, perhaps because they're more impersonal, are seen as less scary than people. And while you certainly want diversity in your funding, it's imperative that you and your board understand that most contributions – fully 90 percent – come from individuals. Here is where you'll invest your time and effort if you're serious.

As for methods, the most effective way of raising money – and most productive in terms of the size of gifts – is the face-to-face approach. The second most productive is the appeal made to a small group of persons. The third most effective is the telephone call. And the least effective solicitation, in terms of gift size, is direct mail.

12. Failing to Find the Right Person to Ask for the Gift

"Find the right person to ask the right person" is an old but enduring maxim in fundraising. There will, of course, be exceptions, but a solicitor who makes a \$100 commitment to your cause should call upon prospects that are capable of giving a similar amount. Likewise, a \$500 prospect is best approached by a solicitor who himself has contributed a similar sum.

Just as important as matching like amounts is pinpointing the right solicitor. Some prospects expect to be asked by the president or the chairperson of the board. Others are less formal and would welcome the person they know best from the organization to ask for the gift. Still others may need the ego stroking of a team of solicitors. Reading this dynamic correctly is the key to success.

13. Failing to See Your Top Prospects in Person

While there are dozens of ways to solicit prospects, nothing beats the personal request. The adage "People give to people, not to organizations" is another way of phrasing this principle. Certainly, if your organization has a favorable image, it helps. But the personal request of a friend or peer for support has a far greater impact than any knowledge your prospect may have about you.

Legendary fundraiser Harold Seymour puts it best: "For clinking money, you can shake the can. For folding money, you should go ask for it. For checks and securities and gifts in pledges, you have to take some pains – make the appointment, perhaps take someone along, count on making two or more calls, and in general give the process enough time and loving care to let it grow and prosper."

Source : David Lansdowne, *The Relentlessly Practical Guide to Raising Serious Money*, 2007. Emerson & Church, Publishers. Posted in the *GuideStar.org Newsletter*, October and November, 2007.

RESOURCES

IRS: www.irs.gov/charities

BoardSource: www.boardsource.org

Foundation Center: www.foundationcenter.org

Healthy Fundraising:
www.healthy-fundraising.org
(provides healthy fundraising alternatives to candy bars and cookies)

Computer Software: www.techsoup.org (distributes products from 32 commercial companies, including Microsoft and Symantec, to roughly 50,000 organizations annually, for a

small administrative fee)

Web site: www.stepbystepfundraising.com
(a blog for community fundraisers with great resources)

www.cpb.org/grants/grantwriting.html
(corporation for public broadcasting site)

www.npguides.org

www.seanet.com/~sylvie/grants.htm

www.fundsnetservices.com

www.fund-raising.com

www.fundraising.com

www.fdncenter.org/onlib

www.not-for-profit.org

www.fundraisers-guide.com

members.dca.net/areid/proposal.htm

Books:

Nonprofit Governance & Management (2002)
edited by Victor Futter. Published by ABA.
(ISBN 1-59031-041-1)

Asking: A 59-Minute Guide to Everything Board Members, Volunteers and Staff Must Know to Secure the Gift (2006) by Jerold Panas. Published by Emerson & Church
(ISBN 1-889102-17-2)