SULTAN CITY COUNCIL
AGENDA ITEM COVER SHEET

ITEM NO: D-3

DATE: November 8, 2007

SUBJECT: Donations for the Comprehensive Plan

CONTACT PERSON: Deborah Knight, City Administrator D. Knight

ISSUE:
The issue before the City Council is to discuss whether the City should pursue a strategy of soliciting donations to fund the City's effort to adopt a comprehensive plan compliant with the State Growth Management Act (GMA).

STAFF RECOMMENDATION:
Discuss the idea of soliciting donations to fund the City's effort to adopt a compliant comprehensive plan.

If there is support for soliciting donations, direct staff to return to Council with alternatives for a fundraising campaign.

SUMMARY:
The City's number one goal for 2008 is to prepare and adopt a compliant comprehensive plan. Without a compliant comprehensive plan, the City will not be able to reach its long-range goal of economic development and financial stability.

Due to current budget constraints, the City does not have the funding necessary to accomplish this effort without help from the Sultan community.

City staff propose initiating a donation (fund raising) campaign to close the $200,000 gap between the proposed 2008 budget for creating a compliant comprehensive plan and the revised cost estimate for the effort.

Chapter 3.68 of the Sultan Municipal Code (Attachment A) defines how the City will accept donations of money and property. Donations in excess of $500 must be accepted by a majority vote of the City Council. Donations may be for general or specific purposes.

If the City Council decides to proceed with a specific effort to raise money to support the comprehensive plan compliance effort, City staff recommend creating separate revenue and expenditure funds to accept and track donations and offsetting expenses.

Staff will return to Council with a proposed donation campaign if there is support for soliciting donations through a fund raising campaign.

BACKGROUND:
The Central Puget Sound Growth Management Hearing's Board has issued several Final Decision and Orders with compliance deadlines (deadlines for submitting required documents consistent with the Growth Management Act) ranging from December 31, 2007 for the TIP (Fallgatter V and Fallgatter VIII) to January 31, 2008 for the Capital Facilities Plan (Fallgatter IX).

In order to address the issues raised by the Board in its Final Decision and Order, the City must complete a significant amount of technical and legal work. This work may not be finalized until the third quarter of 2008.

The City's 2008 budget includes $200,000 in funding toward this effort. The budget is divided between the General and Enterprise Funds. The initial and revised estimates include the following expenses:

Consultant	Task	Original Est.	Revised Est.
Shockey Brent	Project manager. Coordinating the work of sub-consultants. Lead consultant producing technical work to address compliance orders (e.g. inventory, needs assessments, LOS alternatives)	$100,000	$100,000
Sno. County Long Range Planner	Ensuring consistency between city and county plans. Peer review work done by other consultants.	$25,000	$35,000
Capital Facilities Planner	Ensuring consistency between land use, LOS and capital facilities. Ensuring consistency between water, sewer, parks, transportation elements and CFP. Financial analysis and planning for CFP	$25,000	$60,000
Water/ Sewer Report	Technical work to update the water and sewer plans (e.g.inventory, needs assessments, LOS alternatives)		$30,000
Land use attorney	Representation before the GMHB on compliance orders before the 12/31 deadline for taking action on the TIP/Transportation Element. Coordination with technical consultants to ensure compliance. Representation before the Board on comprehensive plan.	$50,000	$175,000
Total		**$200,000**	**$400,000**

The revised estimate is based on conversations with planning consultants and land use attorneys familiar with this type of effort. City staff will return to Council before the end of the year with a cohesive compliance strategy and the professional service contracts with individual consultants to complete this work for the Council's review and approval.

The City has taken a piecemeal approach to developing a compliant comprehensive plan. In other words, the City has addressed each Final Decision and Order from the Board as a standalone issue. Although this approach has limited the budget expenditure, it has not always produced successful results. The City appears to be in a "do-loop" with petitions and appeals that wrap around one-another.

The most recent Final Decision and Order in Fallgatter IX requires the City to do some extensive technical work to develop inventories of city facilities, identify the gaps between existing facilities and facilities needed to serve the City's future population. This work needs to be coordinated with the City's land use element, facilities elements (transportation, parks, city facilities, storm water, etc.), adopted levels of service, and the Capital Facilities Plan.

The staff proposal is to address these issues holistically. While this is perhaps the most comprehensive approach to ensure success, it is also the most expensive approach requiring coordination between several planning professionals and legal experts.

The City needs a mechanism for raising money to support this effort.

DISCUSSION:

The City does not have the financial resources to hire the planning and legal experts needed to ensure a compliant comprehensive plan. There is a $200,000 gap between available funding and anticipated expenses.

It is not unusual for non-profit agencies including schools, hospitals, and cities to initiate fund raising campaigns to support programs and capital projects. Attachment B includes a sample of information available off the Internet on how to plan and initiate fund raising campaigns.

Fund raising campaigns can raise awareness and bring the community together to address a common problem. This could be a rallying point for the Sultan community. A successful outcome could kick-start the City's economic revitalization.

This approach is not without its drawbacks.

One draw back to initiating a fundraising campaign to adopt a compliant comprehensive plan is the perception that the City is not capable of managing its finances to fund necessary services. The City's reputation could be damaged if the fundraising effort is misunderstood.

Another drawback is that this approach does not guarantee a compliant comprehensive plan. Even if the City raises the necessary funds, it is possible the Board could find the City's efforts don't meet the requirements of the Growth Management Act. This could leave donors feeling that they didn't get value for their investment. At this point, it would be difficult to ask for additional support. The City's goodwill will have been spent.

Donors could also get the wrong impression that their support guarantees a certain outcome. For example, property owners might donate expecting that certain capital facilities or land use decisions will be made as a result of their contributions.

Individuals who do not donate may perceive that in accepting the donations, the City will support decisions favorable to donors.

While all these drawback carry certain risks, if the City is unable to raise the necessary funds, the City Council will need to make difficult decisions about cutting back on the staff recommended approach or reducing expenses elsewhere in the General Fund budget.

ALTERNATIVES:

1. Discuss the idea of soliciting donations to fund the City's effort to adopt a compliant comprehensive plan. Direct staff to return to Council with a proposed donation campaign.

   This alternative will initiate a discussion of alternatives to develop a fundraising campaign to close the funding gap between the $200,000 earmarked in the 2008 budget, to adopt a compliant comprehensive plan, and the estimated $400,000 needed to fund the planning and land use professionals to assist the City in this effort.

2. Discuss the idea of soliciting donations to fund the City's effort to adopt a compliant comprehensive plan. **Do not** direct staff to return to Council with a proposed donation campaign.

   This alternative implies that the City Council is not interested in a fundraising campaign at this time.

   Council would need to direct staff either to scale back the consultant costs and effort to develop a compliant comprehensive plan, or direct staff to reduce expenditures in another part of the General Fund budget to fund the compliance effort.

FISCAL IMPACT:
Staff time to prepare and manage the fundraising campaign.

RECOMMENDED ACTION:
Discuss the idea of soliciting donations to fund the City's effort to adopt a compliant comprehensive plan. Direct staff to return to Council with a proposed donation campaign.

ATTACHMENTS:
Attachment A – Chapter 3.68 Sultan Municipal Code – Donations
Attachment B – Fund Raising Information

Chapter 3.68
DONATIONS

Sections:

3.68.010 Acceptance of money or property authorized.
3.68.020 Funds and accounting procedures.
3.68.030 Funds to be placed in general fund.

3.68.010 Acceptance of money or property authorized.

Pursuant to RCW 35.21.100, the city, by a majority vote of the council, is authorized to accept any money or property donated, devised or bequeathed to it and to carry out the terms of the donation, devise or bequest if within the powers granted by law. If no terms or conditions are attached to the donation, devise or bequest, the city may expend or use the same for any municipal purpose; provided, however, that if the monetary value of the donation is less than $500.00, the city may accept the donation without a vote of the city council. (Ord. 533, 1989; Ord. 526, 1989)

3.68.020 Funds and accounting procedures.

The city clerk/treasurer is authorized and directed to establish such funds and accounting procedures as may be necessary to carry out the terms or conditions of any donation, devise or bequest, in accordance with the laws of the state of Washington and requirements prescribed by the Office of the State Auditor. (Ord. 526, 1989)

3.68.030 Funds to be placed in general fund.

The city clerk/treasurer is authorized to accept and to account for any previous donations, devises, or bequests for the year 1989 by placing said funds in the general fund to be used for police services. (Ord. 526, 1989)

Attachment B

Finding Sponsors: Preparing for a Fund Raising Campaign

Hari Srinivas

Network, network, network!

- Spread the word - Let people know about your organization and your goals.
- Talk to your elected officials - MPs, councilors and others . Write letters to explain your group, and invite them to come see the area you are concerned with.
- Get letters of support. A letter of support from a politician will put your sponsor's mind at ease when it is time to hand over the money.
- Establish relationships with other groups that can help you, depending on the activity you are planning. If you are planting trees or naturalising a municipal park, maybe the local gardeners club or a scouts group can help.
- Find out about awards, and get yourself nominated for anything relevant. A few plaques will make your group look competent and well-established!
- Release press statements to the local newspaper. If you don't have anything newsworthy to tell them, invent some news - arrange a tour of your site or give a talk to your local high school (and don't forget to invite your elected officials to these too).
- Find other ways to get your information spread around. Most local radio, TV or cable stations have time slots set aside for community events, and are looking for ways to fill them.
- Create a binder with press clippings and a video with interviews that will make you look active and credible.

Preparing the homefront

- Appoint a contact person and have a clear a mailing address. Having a group spokesperson who can answer questions and provide more information will help in media relations
- Establish an executive or advisory board - appoint a chair, a treasurer, and a secretary, and have the secretary keep notes of meetings.
- Look at your group members and put together a list of skills - sponsorship is complemented by the time, skills, and expertise of the volunteers. This will help explain to a potential sponsor what value-added services you bring to the table.
- Set-up a web presence - this will help provide information that you cannot transmit orally or through PR materials

Do your homework

- Carefully look at who you're approaching, research your target sponsor to find the right fit
- Look at the sponsor's previous philanthropic activities and its programmes/projects, and align your request around them
- Put a case-for-support paper together, something that shows where there is a role for the sponsor to play
- Remember volunteer initiatives run on persistence, enthusiasm, and community spirit. Sponsors run on numbers. Sponsors want to see a measurable benefit, and are ultimately accountable themselves.

Moving forward

- Look for ways to establish a stronger, more permanent presence in your community.
- Explore procedures to become a registered nonprofit group.
- Decide to register your own domain name on the internet. Much like a mailing address, a

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permanent domain name lends a certain credibility to your venture.

- Develop brochures, posters, and interpretive books as an effective way to raise community awareness.
- Seek support for information and ideas with NGO networks and coalitions - nationally and internationally

Return to NGO Fund Raising Strategies

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Non-Profit Fund-Raising Demystified

When it comes to fund-raising, there are truths and myths. The truths illuminate the path to success. The myths speak with the dark voice of "conventional wisdom" of what can't be done and won't work. Throughout my career I have had to overcome three myths of fund-raising that would have me give up before I start. My tools have been The Nine Basic Truths of Fund-Raising.

Myth 1: Face it, fund-raising is impossible and the process is a mystery. Anyone who has failed at it or has managed to avoid being held accountable for that failure knows this.

Myth 2: Everybody knows you need a proven track record if you are to raise money. If you doubt it, just look at all the help-wanted ads for development officers that list as a qualification "successful history of managing a major annual campaign or soliciting large donations."

Myth 3: It's common knowledge that corporations and foundations give most of the money. Just ask those who have never done any fund-raising or who would find a contribution of $50 a strain on their budget.

Those three "beliefs" have helped doom many a fund-raising campaign. On the other hand, there are some insights about fund-raising that successful fund-raisers have gained. These insights often fly in the face of the myths of conventional wisdom. They offer no shortcuts. They promise no instant results. However, they are not hard to understand, and nearly anyone can profit from them. They are The Nine Basic Truths Of Fund-Raising.

The Truths, The Whole Truths, And Nothing But The Truths

Sometimes in this world that showers us with new technology on what seems like an almost daily basis I think we can lose sight of the basics. It's easy to get caught up in the newest tools and the hottest theories. As concepts are wrapped in bright new language and claimed as fresh discoveries, it's easy to forget, that at its most basic, all fund-raising is an endeavor of people, trust, and mission. By our actions, we earn from people the trust that the money they give will be wisely used to carry

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out a mission they support.

To be sure, there are refinements and tweaks to this business of development that help ease the job of assuring a steady source of contributed income for our organizations. And yes, some approaches that worked 10, or 20, or 30 years ago, don't deliver as well in the twenty-first century.

But the basics remain. Some things do not change. They are the bedrock upon which all fundraising efforts are anchored. They are the insights that have been gained through experience -- through success and failure. These insights sometimes seem old fashioned to the gurus of leading-edge wisdom. They do not have the attractiveness of shortcuts and instant results. They do not offer a new paradigm. They are not the latest style. They are not quick fixes that can be employed to relieve the ever-increasing pressure to deliver more contributed income from fewer sources over shorter periods of time.

They are time-tested approaches. They are the basic truths that define successful fund-raising. And they are basic, not simply because they work, but because their absence yields failure. A development effort that ignores the basics dooms its organization to missed goals, shrinking income, and a spiral of diminishing possibilities.

When I talk to groups, the most important things I have to share from my more than three decades of fund-raising experience are The Nine Basic Truths of Fund-Raising. They come from hard-earned knowledge shared freely and enthusiastically with me by countless, gifted development professionals and volunteers over these many years.

Basic Truth 1: Organizations are not entitled to support; they must earn it.

No matter what an organization's good works, it must prove to those who support it the value of those works to the community and the efficiency with which the organization delivers them. The primary key to fund-raising success is to have a first-class organization in every sense. There are no entitlements in the nonprofit world.

Basic Truth 2: Successful fund-raising is not magic; it is simply hard work on the part of people who are thoroughly prepared.

There are no magic wands, spells, or incantations. Whenever you hear that someone has the magic fund-raising touch, laugh. Otherwise, the joke is likely to be on you. No one pulls a rabbit -- complete with its own lettuce farm -- out of the fund-raising hat. No one!

Fund raising is simple in design and concept, but it is very hard work! It is planning, executing, and assessing. It is paying attention to detail. It is knowing your organization and what it needs. It is knowing who has the money, and how much they can give.

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Basic Truth 3: Fund-raising is not raising money; it is raising friends.

People who don't like you don't give to you. People who know little about your organization give little at best. Only those people who know and like you will support you. Raise friends and you will raise money.

Basic Truth 4: You do not raise money by begging for it; you raise it by selling people on your organization.

No matter how good your organization, how valuable its services, how efficiently it delivers them, people will not give money unless they are convinced to do so. Fund-raisers function much as sales and marketing people do in the commercial world. So, be ready, willing, and able to "sell" your organization and the programs for which you are raising money.

Basic Truth 5: People do not just reach for their checkbooks and give money to an organization; they have to be asked to give.

No matter how well you sell people on your organization, no matter how much money they have, no matter how capable they are of giving it, they have to be asked to give. There comes a point when you have to ask for the money. And by the way, make sure that you are asking for a specific amount. Don't leave it up to the donor to recommend how much to give. People with money to give are accustomed to being asked for it. The worst thing that will happen is that they will say no, and even then, they're likely to be supportive, even apologetic.

Basic Truth 6: You don't wait for the "right" moment to ask; you ask now.

If you are always looking for the right moment -- the "perfect" time -- to ask for the money, you will never find it. You have to be ready, willing, and able to close the solicitation at any time. You have to take the risk of hearing no.

If that happens, don't take the rejection personally. They are saying no to the organization, not you. Once you have presented your case, ask for the money. Don't wait. Either close the solicitation, find out what the objection to giving is and overcome it if possible, or get your turndown, and move on.

Basic Truth 7: Successful fund-raising officers do not ask for the money; they get others to ask for it.

The professional fund-raising officer is the last person who should ask prospects for money. The request should come from someone within the prospect's peer group. It is the job of the professional development officer to design, put together, and manage the campaign. Volunteers who are themselves business executives, well-off individuals, community leaders, or board members, are the ones who should ask their counterparts for donations.

Basic Truth 8: You don't decide today to raise money and then ask for it

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tomorrow; It takes time, patience, and planning to raise money.

Make the decision to initiate a fund-raising campaign before the need becomes dominant. It takes time to develop a campaign and its leadership. With each prospective donor the chances are you will get only one chance to present your case. Be prepared. If you present a poorly prepared case, you will be told no.

Basic Truth 9: Prospects and donors are not cash crops waiting to be harvested; treat them as you would customers in a business.

No successful businessperson deals with customers as if they had a responsibility to buy. Prospects and donors have to be courted as you would court a customer. They must be told how important they are, treated with courtesy and respect, and if you expect to do business with them again, thanked.

There are, of course, exceptions to each Basic Truth, but if you rely on the exceptions to support your organization, you will find them to be few and far between and dollars in short supply. In the end, we raise money from people who:

- **Have it**
- **Can afford to give**
- **Are sold on the benefit of what we are doing**
- **Wouldn't have given it to us unless we had asked**
- **Receive appreciation and respect for their gifts**

It doesn't take a genius to raise money. The process is a combination of common sense, hard work, preparation, courtesy, commitment, enthusiasm, understanding, and a belief in what you are asking others to support.

Those are The Nine Basic Truths of Fund-Raising, as I know them. Do they resonate with you? I welcome your comments.

Tony@raise-funds.com

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Sponsorships and Underwriting Campaigns: Would You Please Fund Our _____?

Sponsorships and underwriting are different labels for basically the same thing: funding donated for the support of a project, program, event, initiative, activity, or even a salary. In general, foundations are identified as underwriters and corporations as sponsors. Individuals can be either, but in most instances underwriters and sponsors will be foundations and corporations.

The amount of publicity and recognition also helps answer the question of whether a funder is an underwriter or a sponsor. The word sponsor connotes a higher level of participation and consequently higher visibility than does underwriter. If one of the benefits a funder is seeking in exchange for support is publicity and recognition, then that funder is best identified as a sponsor. In very low visibility situations such as the funding of a position -an executive director, for instance ---- we would probably refer to the donor as an underwriter, even if the donor was a corporation. In the end it doesn't really matter whether you call a funding opportunity underwriting or sponsorship. Do what seems natural, what is usual within your community, and always do what the funder wants. If a corporation would rather be named an underwriter than a sponsor, then it's an underwriter.

For the purposes of this discussion, I will use the labels sponsor and sponsorship in instances where we could be talking about either a corporation or foundation. Only when I wish to restrict the application of what I am saying to a foundation will I use the labels underwriter and underwriting.

"Package" Your Programs, Services And Events

Sponsorship, especially corporate sponsorship, is a relatively recent fund-raising strategy compared to other fund-raising endeavors. A sponsorship campaign is like a capital campaign, for example, in that it raises money for a specific purpose. Unlike a capital campaign, however, the money raised is not used to purchase an asset, but rather to cover an expense. Like a capital campaign, sponsorships can provide naming opportunities---the ABC Corporation Lecture

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Series or the XYZ, Inc. Neighborhood Improvement Program, for instance. Sponsorship opportunities such as these often grow out of an organization's annual budgeting process, allowing it to pay for things it would have done even if a sponsor hadn't risen to the bait of a naming opportunity. These sponsorships permit an organization to package a need, in effect, as a means of boosting its annual support. The idea is to give greater credit and visibility to a sponsor in exchange for an increased contribution. A corporation will look to a sponsorship with a non-profit organization as the means for the corporation to:

- **Enhance its corporate image**
- **Promote internal good will among its employees**
- **Reach high caliber volunteers and donors, many of whom are leaders in their professions or corporate executives**
- **Foster the association between its customers and the sponsored organization**
- **Create general public awareness and excitement**

Be Creative And Boost Your Annual Fund Potential

At one end of what I call the sponsorship spectrum are the donors who provide an organization's bedrock annual support. It makes sense to give these donors as much recognition and credit as possible. If their gifts are of a size to warrant, you can even specify that certain programs, efforts, or activities have been made possible because of their support. Once an organization has made a practice of linking gifts from certain donors to certain of its activities, the next step is to offer those donors sponsorships. Ideally, a single donor becomes the sole sponsor of an activity. The activity may be new, or already in existence. The sponsor gets the exclusive benefit of associating its name with the event or program. Often a sponsor's name can become synonymous with an event. When I say Thanksgiving Day parade, I bet the name Macy's jumps to mind. In a survey some years back, 97 percent of the participants made that association.

The beauty of funding something in this way is that you can ask for more money for a sponsorship than the donor was contributing to your annual fund-raising campaign. You can also ratchet up the cost of the sponsorship every few years: One that was available for $10,000 three or four years ago now requires a $15,000 contribution.

At the other end of the sponsorship spectrum are the companies and individuals who have shown no interest in your organization in the past. They may even have turned down earlier solicitations. A named sponsorship opportunity that provides high visibility can be just the ticket to drawing in a prospect who has previously been reluctant to give.

Be Alert For Opportunities To Obtain New Or Increased Funding

1. **Examine, analyze and investigate at all times all that you do in your organization to know what will appeal to prospective sponsors and underwriters**
2. **Advertise and promote the programs and services you have available for**

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sponsorship and underwriting through personal contacts, newsletters, letters of inquiry, etc.

3. **Identify prospects and their products and services which could have a mutually beneficial connection to your organization**
4. **Develop, with the assistance of all appropriate staff, the necessary elements for preparing proposals to prospects and seek trustee involvement through their peer contacts and presentations of proposals**
5. **Establish with the sponsor or underwriter the desired goals and objectives of the proposed association**
6. **Develop with each sponsor or underwriter a detailed and realistic action plan and calendar with clearly defined responsibilities**
7. **Be responsible for the full "servicing" of the sponsorship or underwriting program, including employing all necessary organization staff support and participation. You must do everything you said you would do. The number of times and where the sponsor's logo is to publicly appear, entertainment opportunities, access to your leadership, etc., and other promises and agreements, must be fulfilled.**
8. **Evaluate ongoing and completed sponsorships and underwriting programs to the satisfaction of the donors to maintain and continue support and to perfect models for future proposals and presentations**

The first step in seeking sponsorships is to identify likely projects, programs, events, initiatives, and activities. I can't think of an organization that would not have some underwriting or sponsorship opportunities. Remember, creating a sponsorship often requires nothing more than a rethinking of the means by which you fund something. Nearly any discrete endeavor can be pulled from a general budget and packaged, such as underwriting six months of a scoutmaster?s service to 20 inner-city children, three months of computer training for a welfare mother to help prepare her for employment, or sponsor an education outreach program enriching the lives of 100 students, etc. A "grass-roots" organization sheltering abused children could have donors sponsor a child or underwrite the cost of a social worker's service for a year, etc.

Finding the best opportunities for sponsorship campaigns requires fund-raisers to "mine" their organizations by looking hard at what activities are planned. Fund-raisers should meet regularly with other staff to keep abreast of developments and to solicit their opinions about which activities might be viable for sponsorship. Once a sponsorship opportunity has been identified, a full-fledged proposal needs to be developed. This should include a budget, a case for giving which shows how the community and the organization will benefit, and a complete explanation of how the sponsor will benefit from the relationship.

Next comes the rating and evaluating of prospects. The goal is to narrow the field to the single best candidate and a handful of backups. A standing sponsorship committee of the board of trustees can be a great aid here and provide better leadership of this task than a committee formed separately for each sponsorship project.

Committee members, other fund-raisers, and organization management

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should keep well informed about both the kinds of endeavors that area foundations are willing to underwrite and which corporations are likely to be attracted to a sponsorship opportunity. That means staying on top of local and national business news. A firm that may have shown no past interest in supporting your organization (or any other, for that matter) can suddenly find itself needing the recognition and publicity a sponsorship opportunity can deliver. A marketing or public relations agency can be a useful advisor for identifying potential sponsors, and an organization should try to involve such a firm on a volunteer basis or perhaps even hire such services.

Once a sponsorship opportunity has been identified, a general proposal has been developed, and a candidate or candidates have been identified, the proposal must be tailored to fit each prospective donor. In this age of desktop publishing it is easy to produce a professional-looking prospectus targeted to each sponsorship candidate.

In general, sponsorship solicitations should be sequential. Only rarely, if ever, would you offer a sponsorship opportunity to two or more prospects at the same time. The danger is that more than one will accept. However, if the sponsorship is one of a number of similar opportunities, then one prospective sponsor may be able to be moved. If the organization is offering a unique named opportunity, then having to go back to a prospect who is in the process of accepting the offer and say you gave it to someone else has the potential for permanently damaging that relationship.

However, each sponsorship opportunity is its own campaign, and you can undertake several sponsorship campaigns simultaneously with other fund-raising campaigns.

You would do well to allow as much time as possible for a sponsorship campaign. Even a turndown takes time, and a sponsored endeavor usually has a "drop-dead" date --- the point after which it becomes impossible to recognize and publicize a donation and include the donor in sponsorship publications such as brochures, schedules, and programs and in activities such as dinners, cocktail parties, and openings. Fund-raisers need to plan backward from the drop-dead date in order to allow time to solicit more than one potential sponsor if that becomes necessary.

Sponsorship campaigns have no ideal length, and because they are conducted behind the scenes, they can go on for as long as it takes to elicit a positive response, or until the drop-dead date has passed. The invisibility of this kind of campaign means that failure causes little real damage, other than the missing funding. Since failure in a sponsorship campaign is "private" and there is no hard-and-fast time frame beyond the final drop-dead date, organizations need to be very careful about not letting sponsorship opportunities slip away. Sponsorships need to be pursued with the same vigor as annual, endowment, and capital campaigns.

Don't "Give Away The Store"

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Perhaps the most common mistake made in a sponsorship campaign is to let ancillary expenses rise by making overly generous commitments to the sponsor. Corporate sponsors are particularly likely to suggest expenses which are covered by the sponsor's gift but which are not part of the sponsored endeavor's regular budget. Items which the sponsor may ask for as part of its benefit package can include, but are not restricted to:

1. **Advertising**
2. **Parties and other free entertainment for customers, clients, and employees**
3. **Hundreds of free tickets, which could otherwise be sold, to an event**
4. **Special publications, posters, and other printed materials**
5. **Elaborate press functions**

There is a tendency on the part of fund-raisers to promise special considerations to sponsors. That inclination must be resisted, but with as much tact as possible. Out-of-pocket expenses can destroy the value of a sponsorship donation if they are allowed to get out of hand.

A sponsored endeavor that does not meet the organization's or the sponsor's expectations poses another potential danger. Neither foundations, nor corporations, nor individuals want to have their names attached to negative publicity. Controversial endeavors do not make good sponsorship opportunities. Be sure there is no hidden potential for controversy in those activities for which you seek sponsorship.

Determining What To Offer Sponsors Is A Team Effort

In my experience, the biggest problem fund-raisers are likely to encounter with sponsorships is that there is always somebody back at the shop --- a staff member or trustee --- who objects strenuously (and, to my mind, often unreasonably) to some of the benefits given in exchange for sponsorship. The impact of these objections can be diminished by having the key players clearly define in advance what courtesies and considerations will be extended to a sponsor. If a non-profit organization earns a portion of its income, then the people running the marketing operation need to be apprised of and in agreement with just how much of what they sell is --- from their point of view --- going to be "given away" to a sponsor. Good relations between an organization's fund-raisers and marketers are very important. They need to work together as a team to produce the income which is their common goal.

Most Sponsorships Are Philanthropy-Driven

It is important to remember that all donations, including sponsorships, are basically philanthropic in nature. What we do to recognize a sponsor's contribution is just that --recognition. Be careful how you tout "market value" of sponsorship benefits. An organization should not look at a sponsorship as a quid pro quo arrangement with each contributed dollar "buying" additional benefit for the sponsor. All but the most inexperienced sponsors know they are making a donation. Don't work so hard to convince sponsors of the value they will receive

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that they cease to see their sponsorship as a philanthropic endeavor.

An organization mounts a sponsorship campaign in order to increase its donated income. Sponsorships are an effective way both of enlarging existing annual gifts and of drawing in new corporate donors. There are secondary benefits as well. One is the credibility to be gained when a company or foundation allows its name to be associated with that of the organization. This quite plainly and simply amounts to an endorsement, and the bigger the company or more highly regarded the foundation, the greater the impact of that endorsement. An organization establishes a richer, more complex relationship with a donor who is also a sponsor. In the case of corporate sponsors, this often leads middle and upper-level corporate management to deeper involvement with the organization, resulting in the expansion of its volunteer base and the development of potential leaders for its fund-raising campaigns.

Often, one of the benefits extended to sponsors is a reception or entertainment event. When this happens the organization's trustees, administrators, and fund-raisers have the opportunity to rub shoulders with corporate executives and other invited guests. It is a chance to meet and get the ears of some of a community's most important people. Suddenly, you are sitting at a table with the company's CEO and spouse or the public relations VP and spouse, and that is a true networking opportunity.

Those are my views on the subject. What are yours? I welcome your comments and suggestions: tony@raise-funds.com

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