



Fundraising, Finances and Charitable Giving

Fundraising is an important aspect of any service organization. This document will provide you with:

- Purpose for fundraising
- Guidelines for fundraising
- Tips for successful fundraising
- The do's and don'ts of fundraising
- Tips on how to develop a budget
- A guide to charitable giving

Purpose of Fundraising

While the purpose of fundraising is to make money, the ultimate reason for having the money is to channel it into service activities. Clubs should always have a definite service project in mind for which their money can be used. Service projects and fundraising projects are two sides of the same coin.

Be careful not to mislead the public about the usage of the money you want to raise. Practice "truth in advertising." If, for example, you are raising money to send delegates to conventions, do not give the impression that the money will go to help needy kids.

Within your internal club operation, your board of directors should have some distinct policies governing how money shall be spent. For instance, if money derived from fundraising projects is limited in its use to service activities, or will you allow administrative expenses to be covered by fundraising. Most clubs operate on the basis that club dues are to be used for administrative costs while monies raised through projects should be spent on service objectives.

A conscientious code of ethics should be maintained by every club in its fundraising procedures, both internally and externally, to attract the confidence and respect of the campus and community in which it belongs.

Guidelines for Fundraising

Article 4, Section 5, of the Bylaws of Key Club International reads:

"No club shall sponsor or participate in any manner in a lottery, raffle, drawing, or game of chance, for the purpose of raising funds, or shall employ a lottery, raffle, drawing or game of chance in connection with any fundraising activity or engage directly or indirectly in any activity which may impugn or reflect unfavorably on the good name of Key Club or Kiwanis. Clubs violating the provisions of this section may have their charter revoked or be otherwise disciplined as prescribed by the Board of Trustees of Key Club International or the Board of Trustees of Kiwanis International, pursuant to the provisions of Section 2 of this Article."

Many high schools have regulations covering the fundraising activities of high school organizations. Your club should inquire if there are such policies at your school and, if so, be certain you are familiar with them.

The safest approach to fundraising is to make sure the project has the support of the entire club. Unless all members see the value of the project and are willing to work for it, you can easily end up with only mediocre success.

Next, be certain the plan is approved by the school administrators and that they know what will take place. Though not required by all schools, this courtesy and forethought can save the club from unexpected complications.

The following general principles need to be kept in mind when planning and operating a fundraising project:

1. Maintenance of the highest possible standards of operation.
2. Constant stimulation of enthusiasm for the project among club members.
3. General public acceptance of the project.
4. Complete planning in all phases well in advance.
5. Cooperation of all club members.
6. Maximum publicity and promotion.
7. Honest value in return for the price asked.

Tips for Successful Fundraising

Keep in mind: A successful fundraising plan produces a solid financial base, enthusiastic members and colorful publicity. Created with care and imagination, it will get better every year and generate more money for less work. Your greatest resource is the creativity and energy of your own members. A fundraiser that is fun for everyone will build a stronger organization.

Apply the physics of fundraising: Take your members' potential energy—all their ideas and talents—and turn it into kinetic energy. Keep up the momentum. It takes more energy to boil a pan of water than to keep it going. The same is true with people. Motivation takes a bigger push at the beginning but gets easier once you're rolling.

Some golden tips:

1. Decide exactly how long your group will spend on each fundraising project.
 - a. Pick a definite beginning and end to the project. Let everyone know the exact date they will be required to finish.
 - b. Keep the commitment manageable. It's easier for people to make a commitment when they know that the project is not a big commitment.
 - c. Keep the project short. It has been found that most groups sell more when a project is relatively short.
2. Only involve those group members who want to get involved.
 - a. Maintain a realistic expectation of participation. It is usually 20 percent of the people who make 80 percent of the money, so don't expect everyone to participate.
 - b. Announce to your group that each member should only commit themselves to do what they are certain they can do. By doing this, it will eliminate most of the negative comments about the products, services, etc. you sell. Negative comments usually generate from those who don't do anything. Confine your efforts to the group's active members.
3. Set your financial goals before you begin.
 - a. Be specific. Let the members know how much you expect them to sell and how much your group expects to earn.
 - b. Make your goal high, but realistic. By being clear, everyone will know when they have done a good job or did not do their share.
4. Keep in touch with members during the fundraising drive.
 - a. Check in with your group members to see how they are doing and to answer any questions they may have.
 - b. Give the members plenty of feedback by letting them know when they are doing well.
 - c. Give them ideas when they are slow.
5. Provide incentive programs.
 - a. Depending upon the service or product you are selling, you could reward your top seller(s) with prizes, coupons, etc.

Do's and Don'ts of Fundraising

- DO double work—sell T-shirts at a dance marathon.
- DO donate supplies/services as much as possible.

- DO make the most of every opportunity.
- DO have a goal.
- DO your homework on immediate needs and final goals.
- DO get groups together before and after every event to applaud successes and to strategize more difficult cases.
- DO use thoughtful planning—too many events are the product of an impulse.
- DO think of positive approaches to fundraising.
- DO spend as little time as possible on fundraisers—they can really bog a group down.
- DO make successful fundraisers a tradition.
- DO watch for opportunities to build on others' efforts.
- DO be energetic, creative and enthusiastic.
- DO find at least one more person to verify transactions.
- DON'T rely totally on dues.
- DON'T allow fundraising to disrupt the regular business or programs of the organization.
- DON'T ask anyone to make a donation because you “need” the money.
- DON'T ask for a fixed price when a donation will do.
- DON'T assume that all pledges will automatically pay—you may have to remind them.
- DON'T expect too much from members—you should have fun and raise money.
- DON'T have a fundraiser based on impulse—plan carefully.
- DON'T let the treasurer handle all the responsibility—spread it around.
- DON'T wait until the last minute for anything—be prepared!
- DON'T forget to be creative, enthusiastic and have fun!

Tips on How to Develop a Budget

If your club transacts a lot of business, be prepared and set a budget. A budget is a tool used for planning and controlling your financial resources. It is a guideline for your future plan of action expressed in financial terms within a set period of time. A budget does not have to be complex, as the information below will explain. Also see the Key Solution for Club Treasurers for more information on budgets.

What a budget accomplishes:

- It helps refine goals.
- It compels officers and members to use funds efficiently.
- It provides accurate information to analyze, adjust and evaluate programs and activities.
- It aids in decision making.
- It provides a historical reference for future planning.

Pre-budget considerations

Knowing your club's priorities, objectives and goals helps as you begin to prepare your budget. As you begin, ask yourself the following questions:

- What does your group most want to accomplish?
- How will you accomplish this?
- How much will it cost?
- Where is the money coming from?

Once these questions have been answered, you are ready to begin preparing your budget.

Preparing your budget

1. Prepare an outline of the organization's planned future activities.
2. Determine and record available funds (e.g. carry-over balance from previous year).
3. Estimate and record expected income and when it will be available (dues, T-shirt sales, candy sales, etc.).
4. Define and record needed expenses (advertising, rentals, printing, postage, supplies, etc.)
5. Review, revise, and then assemble the information into a final budget.

THE BUDGET MUST BE FLEXIBLE TO ANTICIPATE CONDITIONS WHICH MIGHT HAVE BEEN OVERLOOKED DURING THE PLANNING PROCESS.

A Guide to Charitable Giving

Key Clubs are constantly asked to raise funds and donate money to various charities. The challenge of making certain your donations are used for the best purpose is a difficult one. The Council of Better Business Bureaus produces an Annual Charity Index that provides information on most charities.

The index provides philanthropic organizations an opportunity to see how certain charities allocate their money. Do they direct more to the fundraising expenses than to the actual program? Though it may be a big-name charity, you still might want to look into how the organization spends its money.

The Annual Charity Index can be purchased at most local bookstores, or you can call or write to:
The Council of Better Business Bureaus Inc.

703/276-0100

www.bbb.org

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