

FUNDRAISING GUIDELINES

ACKNOWLEDGING DONATIONS
TAX-DEDUCTIBILITY LANGUAGE
FUNDRAISING EVENTS
LOCAL FUNDING SOURCES

Updated October 10, 2013

ACKNOWLEDMENT OF CONTRIBUTIONS

Membership dues are tax-deductible.

General rule: For a deduction of \$250 or more, a taxpayer must have a contemporaneous written acknowledgment of the contribution that is issued by the organization before the taxpayer files his or her tax return. (IRC section 170(f)(8)(A)).

E-mail acknowledgments for on-line donations (from the ESU website) are accepted by the IRS.

If a gift is accepted and deposited at the branch level the written acknowledgment from the branch must include:

- a. The amount of the cash contributed by the donor;
- b. A statements indicating whether the qualified organization gave the donor any goods or services as a result of his or her contribution;
- c. A description and good faith estimate of the value of any goods or services received by the donor

PLEASE NOTE: Patron contributions received at our New York Headquarters office are acknowledged by the Director of Development in a letter from Alice Boyne, President and Executive Director—branches do not need to acknowledge these gift, but it is a good stewardship practice for the Branch president to thank National Patrons who designate a portion of their gift to the branch.

Gift of Stocks or Securities

If a gift of stocks or securities is received, the number of shares, name of the stock/security and the date of receipt should be included in the acknowledgment letter. You may mention the net amount of the gift in the letter but the tax-deductible amount must be claimed by the donor as the value of the shares and the on the day the donor directed the transfer to the non-profit organization.

TIMING OF ACKNOWLEDGMENTS

Timely acknowledgment of gifts (within a week of receipt) should be part of branch protocol. Your members' generosity should be not taken for granted.

SAMPLE ACKNOWLEDGMENT LETTER TEMPLATE

XXXX XX, 20XX
XXX
XXX
XXX
XXX
Dear XXX,
Thank you very much for your generous gift of (\$XXX)* to The English-Speaking of (Branch Name) received on (insert date) for (membership/renewed membership/ the XXX fund).
Your contribution is very much appreciated, as it helps us fulfill our mission of celebrating English as a shared language to foster global understanding and good will by providing educational and cultural opportunities for students, educators and members.
Thank you for your generosity.
Most sincerely,
President's Name President The English-Speaking Union of (Branch Name)
*P.S. This letter serves as an official receipt for your tax deductible contribution noted above. The I.R.S. requires us to inform you that no goods or services were provided to you in connection with your contribution

ACKNOWLEDGING GIFTS-IN-KIND

The value of a **gift-in-kind** must be claimed and proven by the donor—not the non-profit. The acknowledgment should include the description and quantity of the donation and the date received.

For the most part *pro bono* services are not tax deductible but the donor may be able to take deductions for certain qualifying expenses. An acknowledgment letter should just include the description of the service and the date. "Thank you for the 10 hours of *pro bono* consultation on our website you donated on April 2, 20XX."

SAMPLE ACKNOWLEDGMENT LETTER FOR GIFTS-IN-KIND

Date
Dear XXX,
Thank you very much for your generous in-kind gift of (quantity/description) to The English-Speaking Union of (branch name) on (insert date) for the (event/fund/program). (You may also insert something about how the gift will be used or the success of the event)
It is the support of friends like you that enables the ESU to provide meaningful cultural and educational programs that enrich the lives of our members, friends, thousands of middle school, high school and college students, and teachers.
Thank you for your generosity.
Most sincerely,
Branch President Name

The English-Speaking Union of (branch name)

TAX-DEDUCTIBLITY OF EVENT TICKETS

What portion of a special-event ticket is tax-deductible?

The tax-deductible or contributed portion of a ticket is the amount over and above the fair market value (FMV) of any benefits received. It is the responsibility of the organization putting on the event to determine the FMV and to inform the participants of the amount of the contributed portion.

For all tickets \$75 and over the non-profit organization must furnish the donor a disclosure statement regarding the tax deductible portion of the donation on the invitation/reply form. However, you may also provide this information for lower amounts as it is helpful to your supporters.

The only way a donor may deduct the entire ticket price is to return the unused ticket to the host organization for resale.

LANGUAGE FOR TICKET PURCHASE FORM

The IRS requires that all tickets, invitations or entry forms state what portion of the ticket price is tax-deductible if the price is beyond the fair market value of the event itself. For example: A gala dinner costs \$100 per person for the entertainment, food and drink; the cost of the ticket to attend the gala is \$250; only \$150 of each ticket sold is tax deductible.

Tickets and/or promotional flyers which invite people to sign-up or purchase tickets must state the portion which may be tax deductible. (In the case above, it would say, "\$150 of the ticket price may be tax deductible.")

BRANCH XXX ANNUAL FUNDRAISING DINNER DANCE

TICKET PRICES (\$60 of the ticket is value of the dinner and is not tax-deductible)

\$1,000 Ambassador level- includes dinner for 2 (\$880 tax-deductible) \$500 Nobleman level- includes dinner for 2 (\$380 tax-deductible) \$100 Patron level-included dinner for 1 (\$40 tax-deductible)

ACKNOWLEDGEMENT LETTER TEXT

Thank you for your donation of \$XXX received on XXXX for the ANNUAL FUNDRAISING DINNER DANCE of which \$SSS is tax-deductible.

OTHER FUNDRAISING EVENT ISSUES

TAX-DEDUCTIBLITY OF AUCTION ITEMS: Only the amount paid over and above the Fair Market Value (FMV) of the item is tax deductible. Solicitors should obtain the FMV of the donated item for the donor in writing (a signed donation form can serve this purpose)

Example: A gift basket with a \$250 retail value that is auctioned for \$300, permits the donor to claim a \$50 tax-deduction.

RAFFLES: Laws regarding raffles differ in cities, counties and states, and some require a gaming license for raffles. Be sure to check with local and state office website for guidelines. The price of a raffle ticket is not deductible.

SELLING LIQUOR AT EVENTS: Fundraising events are generally held in a venue where the venue's personnel are serving the liquor, whether it is included in the price of the event or sold on a per drink basis. If the event is held in a place where Branch members are serving liquor, insurance only covers events where liquor is included in the price of the event and not sold by the drink.

INSURANCE FOR EVENT SPACES: Venues often ask for proof of insurance which Branches can obtain by contacting ESU Controller James Lloyd at the ESU headquarters.

SPONSORSHIPS: If you are able to obtain a donation/underwriting from a business or professional individual, have a written agreement on how the sponsor will be listed and the size of the listing/logo in any printed material. Be sure to check with your local Better Business Bureau to be sure the company/professional is in good standing before associating the ESU with them.

SUGGESTION: Take advantage of your regional Shakespeare Competition or Debate Finals as an opportunity to have a cultivation event---a reception to which you can invite prospective donors. An EIA graduation event is another opportunity to invite prospects.

PLEASE NOTE: Although we have attempted to cover a wide range of topics in this booklet, issues that have not been included and may have legal or tax ramifications may arise. ESU Branch officers and volunteers should contact Headquarters if you have any questions or concerns about fundraising issues and policies.

INDIVIDUAL GIVING IDEAS

GIFTS IN HONOR/MEMORY/CELEBRATION—suggest that members honor or celebrate events in their lives by asking friends and family to donate to the ESU. They can do so on our website at: https://www.esuus.org/esu/support/gifts/?. A note should be added to specify your branch.

THE NATIONAL PATRON PROGRAM -A WIN-WIN FOR BRANCHES AND HEADQUARTERS

The National Patron Program offers an easy mechanism to attract gifts which will likely be repeated annually. National Patrons have the option to designate up to 50% of their gift to their branch. **Branch dues are also included in National Patron gifts**.

The program connects the Patron to both the Branch and to the bigger ESU and relieves the Branch of the billing and acknowledgement process, though of course local recognition of National Patrons is also an important part of the process. National Patrons receive benefits in increasing levels corresponding to their giving level as well as recognition in the annual report and national and regional events. By encouraging members to become National Patrons, ESU branches are part of a win-win opportunity.

As a member, your annual dues help to support your Branch's operation and approximately 10% of the national operation. It is the generosity of our Patrons and Board that funds the rest of our national operating expenses, which, although Headquarters functions with a skeletal staff and penny-pinching budget controls, increase each year due to rising costs.

As members and Patrons, it is our shared values, expressed through our ESU mission, which ensure The English-Speaking Union of the United States' place for generations to come in an ever changing global community.

See the ESU website for more information: http://www.esuus.org/esu/support/national_patron/

FINDING INSITUTIONAL FUNDING IN YOUR COMMUNITY

ESU branches can also seek funding from community foundations, local family foundations, corporations and other organizations in their city/county. Guidelines are provided here and the ESU Director of Development is available to help you in your quest.

Keep in mind that most organizations and corporations work with an annual budget for charitable giving and require applications months in advance.

Funders will usually require the submission of a **501 (c) (3) letter of determination**—which confirms that the ESU is a non-profit organization. There is one 501 (c) (3) letter for all ESU branches (copy enclosed).

CORPORATIONS AND LOCAL BUSINESSES

IMPORTANT: Before approaching a corporation, please check with the ESU Development Office to find out if the corporation has already been approached.

Many corporations restrict their funding to local organizations/places where they have facilities. A number of corporations are now following the trend of matching their employees' gifts to charities rather than accepting requests for funding. Be sure to encourage your members to find out if their current employer or the company they retired from has as matching gift program.

Some local and national corporations are strictly looking for something to "plaster their name on" such as walk/run events—if they will not receive public exposure through a contribution/sponsorship, they will not be interested. Check the corporation's website for information about their policy which is often under "Community Outreach" "Community Investment".

Corporate Giving Programs: **The Grantsmanship Center Local Funding Sources:** http://www.tgci.com/funding.shtml

Some corporations' human resources departments coordinate employee volunteer programs and an opportunity for English-in-Action may be considered. They may also have free space to hold the classes.

Local businesses may be tapped for in-kind contributions of food or beverages for events in exchange for promoting their business but some may not welcome the additional requests such promotion brings. An alternative to in-kind gifts is to try arranging a discount at a store in exchange for a pledge of membership loyalty—such as a wine store or bakery—be sure to promote them in your newsletter and give the vendor a copy, ask members to thank the vendor, identifying themselves as ESU members when they shop.

COMMUNITY FOUNDATIONS

Community foundations are independent registered philanthropic institutions designed to pool donations into a coordinated investment and grant making facility dedicated primarily to the social improvement of a geographically defined territory, typically a city or administrative area (county/region).

To get started, visit the website of your community foundation and see if they have a list of local approved charities—if your branch is not on the list find out how to apply.

Individual donors direct their community foundation to disburse money to their chosen non-profits and if your branch is not on file with the foundation they may request information and/or specific documentation before issuing a grant.

Some community foundation websites give the process to apply for grants to specific funds that are underwritten by an individual or group usually to support specific types of programs.

You may also be able to visit the community foundation and talk with someone about funding opportunities. Be prepared with literature about the ESU, your latest 990 and a budget for the project for which you are seeking funds. (More information in family foundation section)

LOCAL FAMILY FOUNDATIONS

The ESU Development Office should be your first resource to get started on exploring funding opportunities and save you a lot of time. Please contact Kari Reynolds, Director of Development at 212-818-1200 ext. 218 or kreynolds@esuus.org.

Many local family foundations prefer to support organizations in their region and may have a particular cause to which most of their funding is given such as education or the arts. The key to obtaining family foundation funding is engaging/knowing someone associated with the foundation who can "open the door" for you to obtain funding. "Cold" written solicitations sometimes work, but having/establishing a personal connection is most effective. Obtain the trustee lists of prospective foundations and see if any of your members know anyone on the lists. If a member does know a trustee, have them invite them to your Shakespeare Competition, Debate Finals or to see EIA "in action". Also send them a copy of any application/request you send to the foundation.

Most family foundations only send out grants once or twice a year after their Board meets, so plan ahead, allowing a least six months from your budget needs.

A good way to get started in finding prospective family foundations is to check the websites and annual reports of other local organizations working in education or the arts to find the names of their funders. Note which of their major funders are their Board members, as they may not be strong prospects/are over committed. Next, use the resources that follow for more information.

RESOURCES:

Many small family foundations do not have website, but information can be obtained from their 990 filings.

Guidestar http://www.guidestar.org/ is a great free resource for information about foundations including actual 990s from which you can find out:

- if the organization accepts requests for funding or gives only to preselected organizations on page 10 Section XV
- a list of board members/trustees
- a list of the organizations funded (usually toward the end of the 990)

The Foundation Center operates libraries in Atlanta, Cleveland, New York, San Francisco, and Washington, D.C. All five Center libraries have staff trained to help you. The Foundation Center website is a great source of information/free webinars/listings: _
http://foundationcenter.org/getstarted/nonprofits/

Some states have foundation directories which you may be able to access at your local public library: http://foundationcenter.org/getstarted/topical/sl_dir.html

INFORMATION YOU WILL NEED FOR GRANT APPLICATIONS:

Use the ESU website for descriptions of our programs. Gather the following information to use in funding requests:

- 1. The year your branch was founded
- 2. A short history of the ESU, your branch and the mission
- 3. For education program funding:
 - The names and locations of the schools involved
 - The number of students in the program
 - Demographic information (% by gender, ethnicity, age)
 - Program budget
 - List of other supporters
 - Testimonials from teachers and students

A sample template for a "letter of inquiry" to request support for your branch Shakespeare competition follows. Contact the ESU Development office for help with other applications/proposals.



The English-Speaking Union of Branch Name

Education. Scholarship. Understanding.

SAMPLE LOI FOR SHAKESPEARE COMPETITION

DATE

FOUNDATION NAME CONTACT NAME FOUNDATION ADDRESS. CITY, ST, ZIP

Dear CONTACT NAME,

The BRANCH NAME branch of English-Speaking Union of the United States (ESU), a 501(c)(3) organization, seeks support of \$XXXX from FOUNDATION NAME for our annual Shakespeare Competition which provides high school teachers in (your city/state) and nationwide with a performance-based program for the English Language Arts curriculum, specifically teaching Shakespeare. We think this project is very much aligned with FOUNDATION NAME's interest (QUOTE FROM THEIR MISSION--in secondary school education, performing arts and benefiting youth in underserved communities.)

MISSION AND BACKGROUND: The ESU celebrates English, the world's most common vehicle of communication, by fostering global understanding and good will through educational and cultural opportunities for students, educators, friends and members. Founded in 1918 by British journalist Sir Evelyn Wrench, The English-Speaking Union was established to "draw together in comradeship the English-speaking peoples of the world" in a non-political organization, believing that the close personal and national ties forged during World War I among those who shared the English language could be a powerful force in the preservation of peace. In 1920 Wrench met with a group of distinguished Americans in New York to form the English-Speaking Union of the United States, led by former President Howard Taft. Beginning in the 1960s the ESU responded to the needs of beleaguered American English teachers by providing them with professional development opportunities and then with our prestigious National Shakespeare Competition, a tool for them to use in their classrooms. The lives of more than 250,000 young people have been enriched by the program since 1983.

The XXX branch of the ESU was founded in XXXX and our education programs in include XXXXXXXXXXXX

PROGRAM DESCRIPTION: The program begins in the fall of the academic year, as teachers across the United States incorporate the ESU's competition into their curriculum for the teaching of Shakespeare. Annually, more than 15,000 students and 2,000 teachers from 58 ESU Branches take part in a program designed to help high school students develop their communications skills and appreciation of language and literature, through the study, interpretation, and performance of Shakespeare's monologues and sonnets. Students participate in three qualifying stages: at the school, ESU Branch, and national levels. National semi-final and final rounds are held at Lincoln Center in New York City.

Each winner of the local Branch Competitions receives an all-expense-paid trip to New York. In addition to performing on the stage at Lincoln Center, students tour New York and participate in educational and cultural activities including an acting workshop at NYU's renowned Tisch School of the Arts. Each semi-finalist performs before a panel of judges, who select ten finalists to perform their monologues, sonnets and an assigned "cold reading." The ten finalists present before a second group of judges, other Branch competition winners, their families, and teachers.

The National Competition winner is awarded a full tuition scholarship to a summer study program on *Exploring Shakespeare* and *Contemporary Text* at the Royal Academy of Dramatic Art's *Young Actors Summer School* in the United Kingdom. First runner-up wins a full tuition scholarship to the American Shakespeare Center's *Theater Camp* in Staunton, Virginia, and the second runner-up receives a cash award from the Shakespeare Society.

Given that Shakespeare is a fundamental component of the Common Core State Standards and all high schools in the US must teach his works and, in the face of cutbacks in school districts nationwide, the National Shakespeare Competition is free, tested enhancement to the classroom helping to improve language skills and critical thinking. Evaluations and brainstorming sessions both in person and online by participating teachers, volunteer coordinators, and staff consistently, explore means to improve the program and encourage increased school participation in communities across the United States.

PROGRAM GOALS: A goal of the ESU National Shakespeare Competition is to engage students of all abilities, interests, and backgrounds in these classic works of the English language. The universality of Shakespeare's plays and the commonality of his themes, from unrequited love and betrayal to stories about dysfunctional families and bullying, make it compelling to these students as Shakespeare's works continue to relate to challenges they themselves are facing. Using Shakespeare's writings as a foundation, teachers take students on a journey through language and storytelling, which helps young people appreciate the aesthetic value of the printed and spoken word as well as the role of language in communicating personal values and beliefs.

IMPACT: Using the Shakespeare Competition's philosophy of teaching Shakespeare through performance in the classroom has enabled countless teachers to engage their students with a life-long appreciation of language and literature. Students invariably find Shakespeare's language difficult when studying his works. Teachers have found that this barrier can be overcome by encouraging students to connect with Shakespeare by getting them on their feet in exercises that emphasize learning Shakespeare by performing. Our Shakespeare Competition provides a vital outlet for implementing this by providing an even greater opportunity to "live" the text in a joyful and supportive atmosphere.

William Shakespeare's plays, in spite of cultural changes and educational requirements, have served in the classroom as models for public speaking and human nature. Studying and performing Shakespeare has a significant impact on student life, dealing with themes that have transcended time and cultural change – ethnic and racial identity and hatred; love, jealousy; appearance vs. reality; forgiveness; friendship; repentance; and freedom. Through his skillful characterizations and timeless and universal themes, the study and performance of Shakespeare offers maturing adolescents a deep insight into human nature, demonstrating the difference between right and wrong and teaching them a great deal about moral judgment and the world around them.

CONCLUSION: Your support in celebration of this unique program will allow thousands of high school students each year to develop a deep appreciation for Shakespeare and the expressive power of the English language. A grant of \$XXXX will offset the annual costs to implement the program and help provide the resources necessary for the Competition. Additional information and a full proposal will be provided at you invitation. Thank you for your consideration of this important request.

Sincerely,



NOTES:

If the foundation does not limit the number of pages for an LOI/proposal/application you can include:

- your competition budget (rental space, printing costs, postage, prizes, payments to coordinator, etc)
- a program from your last competition
- list of participating schools
- photos ---your student at the national competition (get from the website)
- quotations from local teachers/students
- your branch brochure
- newspaper clippings

Be sure to include any documents they may request—501 c3, 990, list of officers,

How to Make a Grant Proposal to a Small Family Foundation

Tips About How to Approach a Small Family Foundation By Joanne Fritz

http://nonprofit.about.com/od/foundationfundinggrants/a/cultivatingfamilfound.htm

We are often dazzled by the "name-brand" foundations such as the Gates, Rockefeller, and Ford Foundations, whose assets run into the billions. But 90 percent of foundations have endowments of less than \$10 million, and these are mostly small family foundations. A recent survey of family foundations served by Foundation Source provides insight into how to approach these small foundations for grants. The resulting recommendations include:

- Rethink the way your nonprofit finds foundations. These smaller family foundations are not usually professionally staffed, and they keep a low profile. They tend to fund locally. They don't belong to associations of funders or attend annual conferences. You won't find their RFPs (requests for proposals) on the usual lists from publications or online sources. They give funds to nonprofits with which they are personally acquainted. Many do not even consider unsolicited requests. You will find them by being well connected in your community and alert to who's funding whom in your own area.
- Reach these foundations through the personal contacts of your organization's own board members. Provide ways for family funders to get to know your work through low-pressure opportunities and through their own peers. Invite family members of family foundations to be a part of your work as volunteers by inviting them to sit on your board or to serve in an advisory capacity. Use peer-to-peer contacts to find and cultivate members of the family involved in a family foundation. In the survey, 58 percent of the foundation respondents said that it was very important that "someone I know and respect is closely involved or has asked me to support the project."
- When applying to a small foundation, try sending a short letter of inquiry. Most small foundations do not want or need a big proposal package. Some 80 percent of the foundations surveyed said that they preferred to receive a "poorly written request that represented the real words of the applicant" to an elegantly crafted proposal written by a professional grant writer. The key is to be direct and honest. Trust the foundation to ask for more details once it is interested in your project.
- Think partnerships. Small family foundations prefer to partner. They want the organization to invest its own funds in the proposed project and are happy to see other funders involved. They also appreciate an "exit" strategy to make sure that the nonprofit does not become dependent. They are not adverse, however, to providing general operating funds, something larger foundations are reluctant to do.
- Check out how the foundation prefers to be contacted and tailor your request to the foundation's interests. Most of the small foundations surveyed prefer to be contacted by email rather than mail or personal visits. Furthermore, they say that it is of utmost importance that the proposed project fall within the foundation's priorities and guidelines. They expect the nonprofit to have done its homework before making a request. Check out the foundation's website and/or look up the foundation's 990s through a source such as GuideStar. Small family foundations also don't like generic proposals that are sent to several foundations; and they prefer that the proposal address one specific project that fits them well.
- **Be realistic about your project**. Small funders typically are skeptical of hyperbole and overreaching goals by nonprofits. Aim to be clear, concrete, and directly address risks and challenges. Describe your niche...how does your work differ from the work done by similar organizations?
- Don't expect quick results from funding requests from small family foundations. These are part-time philanthropists and they don't usually have professional staff or three or four funding cycles. Be patient and work with the family's schedule and needs.

RELIGIOUS ORGANIZATIONS

Some medium to large size churches, synagogues and mosques have community outreach programs that fund local projects and are often set up as separate 501 (c) (3). They tend to fund the "needy" rather than the arts. ESU English-in-Action or Middle School Debate may be of interest to them. Information should be on their websites.

CLUBS/FRATERNAL/PROFESSIONAL ORGANIZATIONS

Some local organizations may be a source of contributions but may also have sponsorship or promotional requirements. Clubs and organizations may have a service, civic, or skill-based focus. They usually have local chapters. Examples include the **Lions Club International**, **Rotary International**,

The Association of Junior Leagues International, and Kiwanis International. These organizations often have giving programs that involve smaller gifts focused on supporting their individual communities through service, materials and financial investments.

- Your local community directory at the Foundation Center
- Michigan State University's list of service clubs and civic organizations that provide funding http://staff.lib.msu.edu/harris23/grants/servicec.htm
- Your Yellow Pages, board members, volunteers, and staff may also help identify local clubs and organizations that provide funding.

ONLINE AUCTIONS

Silent Auctions for Charity Rapidly Migrating to the Internet

Online Charity Auctions Prove to be Fun and Result in More and Higher Bids By Joanne Fritz

http://nonprofit.about.com/od/fundraisingauctions/a/auctionsonline.htm

Online auctions are rapidly replacing the fundraising event silent auction. In the past 10 years software has become available for organizations to run their own auctions, but the trend is now using established "full-service" sites such as:

http://www.charitybuzz.com

http://www.biddingforgood.com

www.greatergiving.com

CROWDFUNDING

Crowdfunding (alternately crowd financing, equity crowdfunding, crowd-sourced fundraising) is the collective effort of individuals who network and pool their money, usually via the Internet, to support efforts initiated by other people or organizations. Crowdfunding is used in support of a wide variety of activities, including disaster relief, citizen journalism, support of artists by fans, political campaigns, startup company funding, and civic projects.

ESU branches might consider using crowdfunding to raise money for scholarship among their contacts/families/friends.

FORBES <u>ENTREPRENEURS</u> 5/08/2013

Top 10 Crowdfunding Sites For Fundraising

http://www.forbes.com/sites/chancebarnett/2013/05/08/top-10-crowdfunding-sites-for-fundraising/

Unless you've been living in a remote island for the last few years, you've heard about crowdfunding or stories of people raising thousands or millions of dollars online.

In fact, there's been so much chatter out there about crowdfunding that people love to throw out the line "yeah, I've heard there are something like 500 crowdfunding sites." While hundreds of sites may be popping up, not all of them have real communities and funding successes under their belt. (see link above for list)

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