

## **POLICY STATEMENT**

### **ERIE COMMUNITY FUND DRIVES COMMITTEE**

#### **Focus of Concern & Need**

The capital, operating and endowment needs of nonprofit organizations in Erie County can cause a proliferation of community-wide fundraising. At the same time, there are finite resources available to support these fund-raising campaigns. Because donations from corporations and foundations in Erie County may provide a significant portion of the overall goal of these campaigns, there is a need to review major capital fundraising drives to coordinate the number of concurrent efforts and to validate their merit and likelihood of success. There is a further need to coordinate these fundraising activities so that individuals and organizations can better plan and allocate their contribution budgets. In addition, many community nonprofit organizations lack the experience and resources to conduct major community-wide capital campaigns. The Erie Community Fund Drives Committee provides a process, resources and support to assist organizations to ensure that they develop a strong case for support and have a solid plan in place to conduct a successful campaign.

#### **Role of The Erie Community Fund Drives Committee**

The Erie Conference established the initial Community Fund Drives Committee, and approved a policy statement, in coordination and cooperation with the United Way of Erie County, in November, 1975. The policy statement has been amended three times: October 24, 1986, August 15, 1995, and August 17, 1999. The Erie Community Fund Drives Committee re-established the Community Fund Drives calendar in 2004 as an independent community committee upon the request of the Erie Regional Chamber and Growth Partnership, as they no longer felt the activity was central to their core mission, and change the focus away from corporations to “all community constituencies”. In 2011, the Committee was enlarged to include 14 foundation and corporate funders and 3 at-large representatives.

The Erie Community Fund Drives Committee functions as a ‘review and recommend’ body that sets a calendar of endorsed fund drives seeking to raise a total amount in excess of \$500,000 from the Erie County community.

#### **Objective**

The objective of the Community Fund Drives Calendar is to develop a schedule of “endorsed” fundraising campaigns for the community so that solicitors and prospects can make the best use of limited time and financial resources. The Calendar will consist of fund drives that have demonstrated their financial and structural capability for success based on selected criteria for ensuring a successful capital campaign.

### **Composition of The Erie Community Fund Drives Committee**

The Group will be comprised of up to seventeen (17) voting members that includes 14 representatives from foundations and other major corporate donors. The committee will also invite up to 3 community “at large” members who have demonstrated historical involvement in philanthropy throughout the community.

### **Purview of Policy — General**

The Erie Community Fund Drives Committee will only endorse and schedule the fundraising campaigns of local and regional nonprofit organizations (excluding hospitals, churches, mosques, synagogues, and all pre-primary through twelfth grade schools). The Community Fund Drives Calendar applies to local and regional nonprofit organizations that are contemplating a fundraising campaign which will solicit funds from the Erie County community in excess of \$500,000.

Five of Erie County’s institutions of higher education — Edinboro University of Pennsylvania, Gannon University, LECOM, Mercyhurst College, and Penn State - The Behrend College — are recognized as significant competitive assets in Erie County. Each of these institutions, however, has significant on-going capital investment needs. The Committee will not schedule college/university capital campaigns.

### **Protocol/Procedures**

Any nonprofit organization seeking to be endorsed and scheduled by The Erie Community Fund Drives Committee must submit a “fundraising campaign business plan” to the Chair of the Committee. This “campaign plan” must contain the following items:

#### 1. Organization Information

- ◆ Summarize your organization's history.
- ◆ Outline your mission and goals, future challenges, and long-range plans.
- ◆ Describe current programs and their outcomes, organizational activities and accomplishments.
- ◆ Describe the organization’s fundraising history.
- ◆ Identify the Board of Directors and management of the organization and discuss their strengths.
- ◆ Identify key community partnerships that strengthen the organization.

#### 2. Purpose of Capital Campaign

- ◆ Describe the proposed campaign, including goals and objectives.
- ◆ Identify the need/problem to be addressed, target population and number of people to be served by the project.

- ◆ Discuss the campaign calendar and identify any critical “windows of opportunity” that exist for the organization.
  - ◆ Identify other participating organizations in the project and their roles.
  - ◆ List the campaign leadership, their strengths and affiliations.
  - ◆ Identify regulatory approvals, if required.
  - ◆ Discuss implications of this campaign in relation to the organization's ongoing operational expenses. *Note: This section is expected to be a several paragraph narrative that explains the difference between the current operating budget and the new proforma budget, after the capital improvements are made. Describe the impact on the investment in your program growth, operating revenue and expenses.*
3. Overall financial goal (with breakdown of funds targeted to be raised from individuals, corporations, foundations, matching gifts and other sources)
- ◆ Include details regarding use of dollars raised through the fund-raising campaign. The campaign strategy or implementation plan must include a donor structure; including a minimum of one lead, private-sector donor pledging/contributing a MINIMUM of 10% of the campaign and formal identification of the campaign team. List other foundation and corporate funders and the amounts committed or to be requested. Include all public funds and individual contributions supporting the project to date. Specify the amount to be raised from your board.
  - ◆ Capital campaign budget
  - ◆ A proposed timeline for solicitation.
4. Evaluation
- ◆ Describe your plan to document progress and results. Interim and final evaluation and expenditure reports will be required from every endorsed organization.

Attachments Required:

1. A statement regarding the organization’s last capital campaign (if applicable):
  - (a) beginning and ending date
  - (b) goal
  - (c) amount pledged
  - (d) amount received
  - (e) percentage of corporate contributions
  - (f) name of campaign chair
  - (g) percentage of board participation in the campaign (note that 100% board participation is expected for campaigns to be endorsed)
  - (h) other pertinent information

2. Current Campaign Materials
  - (a) Feasibility Study
  - (b) Gift Charts
  - (c) Case Statement
  - (d) Printed materials / individual donor packets
  - (e) Campaign video
3. Organization's governing board approval letter signed by volunteer Board Chair and Chief Executive
4. An approval letter from United Way of Erie County, if a member agency
5. Copy of the current IRS determination letter indicating 501 (c)(3) tax-exempt status
6. Form 990
7. Organizational structure, including:
  - List of officers and directors, including occupations, places of employment, and relevant affiliations
  - Description of board responsibilities, including committee assignments
8. Financial information, including:
  - Current board-approved annual operating budget, including expenses and income
  - Most recent audited annual financial statement
  - Income Statements from the past 3 years
9. Letters of support (optional) that substantiate need for the campaign and collaboration with other organizations
10. Annual Report
11. Other pertinent materials as requested

The Community Fund Drives Committee will not accept applications from agencies for final public endorsement until the minimum 10% lead gift is committed.

### **Presentation Format**

The materials submitted in the fundraising campaign business plan provide the only information on the campaign for the Committee. Therefore, much care and thought should be put into the business plan submitted. Each organization which submits a fundraising campaign business plan will be given 30 minutes to present their campaign, followed by 15 minutes of questions from the Committee. Organizations may use whatever means they feel necessary to conduct their presentation. However, the 30-minute presentation timeline will be strictly followed.

### **Criteria for Evaluation**

Criteria for endorsement will include (but not necessarily be limited to):

- ◆ Lead gift from individual donor of at least 10% in place
- ◆ 100% committed board participation in the campaign
- ◆ Identified/documented need for resources/funds
- ◆ Solid business case for investment of resources
- ◆ Realistic dollar goal established
- ◆ Plan/schedule/organizational structure and resources to achieve goal
- ◆ Board leadership gift process and/or commitment in place
- ◆ Staffing/resources/budget in place to support campaign

### **Recommendations**

After the review, presentation, and discussion are completed, the Committee will prepare a written evaluation and recommendation. This shall be done for all campaigns making a presentation to the group. The group's recommendation shall always be that of the majority with no minority report. All Committee recommendations will be chosen from the following format:

*Recommended For Approval* — Constitutes a need of the community, is financially sound, and is worthy of community support. Each fund drive given this recommendation will be accompanied by a specific time slot on the Calendar.

*Not Recommended For Approval:* — This recommendation would be made for one of the following reasons:

- a. The proposal is in conflict with the calendar for presently scheduled capital fund drives;
- b. The proposal is not looked upon as financially sound or a responsibility of the general corporate/business community, did not meet the selection criteria or the campaign is not yet ready to implement;
- c. The proposing organization did not present their fund raising proposal prior to initiating solicitations of funds from the general corporate/business community;
- d. The proposal does not fall within the purview of this policy statement.

### **Post-Campaign Reporting**

Fund drives that are endorsed are expected to provide a campaign fund drive report 60 days after their time slot on the Community Fund Drives Calendar has expired. The report must be written and must include the following information:

1. Amount of funds raised — gross dollars and percentage of goal
2. Number of corporations contacted and contacts still outstanding
3. Number of corporations that contributed
4. Aggregate dollar amount contributed by corporate contributors
5. Obstacles and advantages encountered during the campaign

### **The Calendar**

The Community Fund Drives Calendar runs from January 1st to August 31st. The Calendar purposely ends on August 31st so that corporate solicitations by endorsed organizations do not conflict with the United Way of Erie County's Annual Giving Campaign. The Committee will not confirm campaign slots more than two years beyond the date of the review meetings, but may make tentative longer term schedules.

The Erie Community Fund Drives Committee will distribute a calendar (updated annually) to selected community groups, organizations and related constituencies. The calendar will include approved fund drives, proposed campaigns reviewed but not endorsed by the group, and campaigns the group is aware of but with whom the group has had no interaction.

All Erie Community Fund Drives Committee members will be notified when an organization's slot on the Calendar is completed. Formal written notification will go out no later than one month after the organization's time slot has ended.

### **Erie Community Fund Drives Committee Meeting & Decision Making Schedule**

A schedule will be developed annually by the Chair, regarding (a) deadlines for fundraising campaign business plans to be submitted, (b) presentations to the group, and (c) when recommendations will be made.

### **Erie Community Fund Drives Committee Authority**

The recommendations of the Erie Community Fund Drives Committee will not be binding on member organizations of the Erie Community Fund Drives Committee, either collectively or individually, nor, of course, would a negative recommendation preempt the petitioning organization from proceeding with its program. However, the Erie Community Fund Drives Committee members are encouraged to give endorsed/sanctioned campaigns their fullest consideration.

**Additional information about Community Fund Drives is available upon request from The Nonprofit Partnership at (814) 454-8800 x 3 or [rwooler@thenonprofitpartnership.org](mailto:rwooler@thenonprofitpartnership.org).**