

Same Dollars, Different Sense

Editor's note: These three articles deal with finding additional dollars for libraries. While focused upon three different types of libraries — public, academic, and school — they address the same process. Each takes a somewhat different approach, yet all can be used by every library and librarian as we plan to seek funding over and above that allotted by local, state, and federal agencies. While similar in nature, each offers a variety of strategies and suggestions for garnering outside public and private dollars for library resources and programming. Whatever your affiliation, try reading all of them; you'll find excellent ideas.

Careful Planning: The Fundraising Edge

by Steve Sumerford

If you are like most librarians, you can name a long list of projects and services that you think would enhance your library. Your problem is not a lack of good ideas, but a lack of funding. Every year, the library's budget seems to get tighter and your list of good ideas just gets longer. If, however, you can tap other sources of funding, you may be able to provide the programs and services for your patrons without any increase in your operating budget.

Public schools, universities, Head Start programs, and a myriad of other nonprofit agencies all regularly obtain thousands of dollars in additional funding from foundations, corporations, and other nontraditional sources. Libraries, on the other hand, tend to supplement their budgets with book sales and small gifts from individual donors. While these sources are very important, they generally require much more work and yield smaller profits than corporate solicitations and foundation grants.

A simple, two-page letter netted thousands of dollars for the literacy programs at the library branch that I manage. With a few of these letters and an aggressive, broad-based community fundraising campaign, we raised over \$100,000 for family literacy programs in less than six months. This campaign, which was conducted in 1991, was the culmination of a year of informal research and networking. It also brought a tremendous amount of publicity and prestige to the branch. In the four years since that initial campaign, we have raised an additional \$100,000 in

nongovernment funding.

On the basis of our mistakes as well as our successes, I would like to offer twelve steps for raising money from the corporations, foundations, and individuals within your community.

STEP 1: All fundraising methods must start with a statement of the need for funding. The challenge is to identify and describe needs from the community rather than the library perspective. Foundations, corporations, and private individuals usually do not give money to buy bookmobiles, computers, and books unless they clearly understand how these items improve people's lives. Donors want to support projects that will empower citizens and result in long-term improvements in the community. Your needs statement should clearly document the impact that a particular problem has on the community and how the proposed project can solve the problem.

Very often needs statements in grant proposals are weak because they are based

on circular logic. Donors report that this is one of the most frequent mistakes made in proposals. For example, it would be easy to fall into the trap of arguing that the library needs a new bookmobile simply because the current one is old, thus making the assumption that everyone knows why we need a bookmobile. A good needs statement, however, will answer questions such as: Why does the community need a bookmobile at all? Whose life will be improved by a new bookmobile? How will a bookmobile make the community a better place to live?

The needs statement also should demonstrate that the community had input in developing the needs statement. There are many ways to obtain this input from your community. Focus groups can be extremely effective. Interviews with community leaders, particularly grassroots leaders, also can generate good ideas and support for your project. Only after you get input from these groups can you develop a very strong and convincing statement of the need for the new program or service.

Good needs statements can be based on demographic data, needs assessments done by other agencies, community surveys, anecdotes, and quotes from users of the services. Don't just use statistics and cold facts. State the need in a way that is emotionally compelling. Demonstrate the seriousness of the problem with examples of how it affects people's lives. Use stories and anecdotes to personalize the problem.

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STEP 2: Get a good reading on the current fundraising climate in your community before you make any decisions about your fundraising strategy. The best way to do this is to talk with an experienced fundraiser. Some good places to look for fundraising mentors are United Way agencies, college development offices, community foundations, and cultural arts organizations. If you're lucky, you will find some expertise on your own board of trustees or in your Friends of the Library membership.

One thing to keep in mind is the "turf-ism" that exists in the fundraising world. Some fundraising experts will be less than helpful because they will resent the library becoming another competitor for the limited number of dollars. Since most nonprofit organizations rely on tax-deductible donations to support their annual operating budgets, they may perceive other competitors as a threat to their survival. To get their cooperation, you have to assure them that your project is not a duplication of their programs and that your intention is to attract new dollars, rather than draw funding away from existing organizations. Also, remind them that you are fundraising only for a specific project and that you will not be competing perpetually for the nonprofit dollars because your operating budget comes from your governing body.

Once you locate people who will share some information with you, quiz them on the priorities and trends of local foundations, corporations, and other major community donors. Find out which donors and community leaders have a particular interest in education, libraries, and literacy. Also, ask your mentors about any fundraising campaigns that your potential donors already may be committed to supporting.

Timing is of critical importance in a fundraising campaign, particularly when approaching individual and corporate donors. Ask your mentors about any seasonal or special campaigns. Obviously, you want to avoid launching your campaign during the United Way campaign or in the middle of a county-wide effort to build a new homeless shelter or arts center.

The state of the local economy clearly impacts the availability of local dollars. However, while it is wise to be aware of the general economic climate, it would be a mistake to assume you cannot raise money when the local economy is not thriving. No matter how bad the economy, people with money still have to give some away every year for tax purposes.

STEP 3: Create a fundraising advisory committee, made up of Friends, community leaders, experienced fundraisers, donors, and staff members. Remember that people give money to people, not to institutions or agencies. If you don't currently have a board or executive committee that can raise money, you have to create one.

One essential aspect of the project's design is to involve representatives of the targeted population (e.g., teenage mothers, literacy students, daycare teachers, etc.) in the planning process. Not only will they give you good ideas, but they also will give your request more credibility. If you are requesting funds from a foundation, its board will almost certainly ask you whether the potential recipients of your services have had any input in the grant proposal planning.

Incorporating input from nonstaff members can be very challenging, but if you want to engender a sense of ownership and support for your project, you have to listen to the ideas of people who may have less experience and commitment than the staff. Even though the staff may be doing most of the work, the ultimate control may be in the hands of the Friends if you are using them as the fiscal sponsor for the project. Therefore, it is essential to reach consensus on the project goals and decision-making process while the project is in its embryonic form.

STEP 4: Develop a comprehensive, community-based, fundraising strategy based on diverse fundraising methods, such as grant proposals, corporate solicitations, raffle sales, special events, and direct mail requests. This approach is much more effective than just sitting in your office all day churning out grant proposals and fund appeal letters.

To facilitate this diverse fundraising strategy, you need to organize the fundraising advisory committee into separate subcommittees for each of the groups of potential donors. Try to find people with appropriate experience and expertise to serve on these subcommittees. The subcommittee that is pursuing corporate donations should be composed of community business leaders. Those serving on the foundation committee should know some of the board members of the foundations you have identified as likely supporters. Usually the first step for the subcommittees is to set a goal for the number of dollars they will raise and determine their strategy for reaching the goal. Since the strategies for each of the target groups may overlap, it is very important that there be regular communication among the subcommittees.

STEP 5: Make arrangements for all donations to go into a fund that is tax-deductible. If most of your regular budget comes from tax dollars, you may have to work harder to persuade private donors to give you money. After all, they already support you with their taxes. If, however, you have a Friends of the Library group, it can be an excellent tax-deductible conduit for donations, since it should already have nonprofit status [501(c)(3)] and is not funded by tax dollars, tuition, or any other guaranteed source of income.

Be certain that the Friends' treasury and financial papers are in order. Friends groups often forget to file a 990 Form with the IRS, which is necessary for any year that their income exceeds \$25,000. It also is preferable, but not mandatory, that the Friends obtain an audit prior to a fundraising campaign.

STEP 6: Frame your request in a project format with outcomes that match the priorities and "image" of the potential donor. From the donor's perspective, funding a well-defined project is clearly preferable to just pouring extra dollars into a general operating budget. A project format assures the donors that, if they award the grant, there can be measurable and recognizable outcomes.

Remember that the donors also have a reputation to maintain. They want their list of funded projects to look impressive in their annual report. If you give the project a name that expresses its mission and gives the project its own identity, the potential donor will look more favorably upon your request.

Our library-based family literacy program needed a dozen computers, but in our proposal we asked for "resources to develop a family literacy center." A "family literacy center" conveys a much more powerful image than does a detailed description of a dozen computer stations. Donors wanted to give money for literacy, not for hardware, but we helped them see that by providing funding for computers they would be increasing the literacy level in the community. Consequently, we received enough money to buy two dozen computers.

STEP 7: Research foundations to determine which ones might be most receptive to your project. *North Carolina Giving*¹ lists thousands of foundations in North Carolina, but it is best to start with the ones in your county. Ask foundations to send you a copy of their most recent annual report. It will reveal much about a foundation's current priorities. It also will include a list of the foundation's board

members as well as a description of the proposals that they have funded.

*The North Carolina Journal of Philanthropy*² is a bimonthly publication that is filled with information about North Carolina donors. Probably no other source offers such comprehensive and interesting data about fundraising in North Carolina. There are numerous books on proposal writing, and these can be invaluable to you. Joline Ezzell's article in this issue is also an excellent resource.

Once you determine which foundations match your needs, set up an appointment with the foundation director or a staff member. He or she is often the proposal gatekeeper — the one who screens the proposals and decides which ones are worthwhile for the board to review. Since this is a very subjective decision, your relationship with the director and the staff could be the single most significant factor in your relationship with the foundation. After the initial meeting, send a thank you note and periodically send newspaper clippings, newsletters, or flyers about your project.

In preparing the formal proposal, be sure to follow the foundation's guidelines very closely. Foundation staff members say they receive a large number of incomplete proposals in every funding cycle.

STEP 8: Research the giving patterns of local corporations. Corporations need to give away some money each year for both tax purposes and public relations. The community relations officer as well as company employees can give you advice on how to submit a request.

If the grant proposal is the key to getting funds from foundations, personal contact is the key to corporate donations. Corporate leaders respond best to other corporate leaders, so your request should be made by someone who is a peer of the corporate executive. Be sure that all of your Friends, trustees, and staff are apprised of the fundraising campaign. Ask them to contact any corporate leaders. You may be surprised to learn how many of your own board members have some social or professional connection to the corporation.

Try to anticipate the hard questions and give your fundraising team a script or a project fact sheet to help them answer these questions. Role playing of the most common difficult situations will help to

give your team a greater sense of confidence. Some good scenarios might be: a donor who is skeptical about whether the project is necessary; a donor who feels that the library should not be raising private money since it is a tax-supported institution; a donor who feels that the library should not be involved in this type of

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project; and a donor who says that the corporation's money is already committed for this year.

Sometimes it takes years of cultivation to secure a significant contribution from a corporation. One strategy might be to ask each to pledge a gift that can be spread over a three year period. Even if a corporation does not give cash, it may be able to give you thousands of dollars of in-kind services such as printing, used equipment, volunteer hours, and publicity.

Also remember that corporations like to have lots of publicity when they make a donation. Have your Friends plan a community celebration, press conference, or reception to acknowledge the donation.

STEP 9: Ask individuals to make donations and pledges through personal visits and direct mail fund appeals. In addition to direct mail fund appeals to individuals, our Friends group sold 1,000 raffle tickets. We netted only a few hundred dollars, but the grassroots publicity was worth a fortune, as each of those tickets was sold with a little speech about the Chavis library's family literacy program.

STEP 10: Organize special events during the campaign and generate as many press releases as possible. Nothing could be sweeter than having an article about your project in the paper on the very day that a donor is making the decision about whether or not to fund your request. Develop a list of friendly reporters, feature writers, and editors and send your press

releases directly to them.

One of the special events you should sponsor is a demonstration of the project. Invite all of the potential donors to a reception and demonstration. Devise some activity that simulates what you will be able to do if you get the funding. Ask one of the people who will benefit from the project to speak to the group. If you are trying to get funding for a new business service, ask a business person to "testify" to the need for the service and the library's commitment to the business community. If you are trying to get funding for computers to use with a literacy program, ask a student to demonstrate how the computer would be used for tutoring.

STEP 11: Find other organizations with which you can collaborate. Almost every funder asks if you are working in partnership with other organizations. In addition to finding organizations that actually can become part of your project, you also need to find representatives of organizations who will write letters of support and endorsement for your proposals. Sometimes these letters can make the difference between funding and rejection. You also could choose to form a partnership with some other organizations or libraries and apply for funds together.

STEP 12: Stay in touch with the donors who give as well as those who turn you down. Like a politician who is always running for the next election, you must begin cultivating donors for the next request before you deposit the check from the last one. Communicate with your donors and supporters regularly. Let them know how their money is being used. (We send quarterly reports to all of the donors who supported our family literacy project.) This will make your job much easier when you ask for additional funds. Also, after you receive a grant, give the donor as much publicity as you can. This will alert other donors to your work and it will demonstrate that if they fund you, you will give them good publicity as well.

The last and happiest step in this process is to deposit all of those fat checks from foundations, corporations, and other donors, and then start spending the money to provide the library service that your community needs.

References

¹ Anita Gunn Shirley. *North Carolina Giving*. (Raleigh: Capital Consortium, Inc., 1993)

² *Philanthropy Journal of North Carolina*. (News and Observer, 215 S. McDowell St., Raleigh, NC 27602; \$57 per year)