

LITTLE PEOPLE OF AMERICA
A FEW TIPS FOR CHAPTER AND DISTRICT LEVEL FUNDRAISING

1. On occasion, a donor may ask for the chapter's tax identification number, which is tied to LPA's status as a nonprofit, 501 (c) 3 organization. LPA actually has an umbrella tax identification number which covers the national organization as well as all chapters and districts. This saves a lot of time and money from each chapter and district applying for their own, but it also ties us together financially. Please note that LPA's tax identification number is 94-2965067.
2. Many LPA chapters and districts hold raffles as fundraisers. A couple of words of caution here, however. First, it's better to use the phrase "opportunity drawing." Also, each state has its own rules and regulations concerning opportunity drawings, including registration, wording to be used, etc. Oversight for this is typically with your state's Attorney General. The following Web site provides a summary of each state's current position on opportunity drawings:
<http://www.nals.org/?p=1340>

Please note raffles/opportunity drawings are not allowed in some states, such as Kansas. Check your state for rules.

3. Silent and live auctions can also be a wonderful way to raise funds. The following Web site outlines the basics of organizing a silent auction:
<http://www.thefundraisingauthority.com/fundraising-events/silent-auction/>
In addition, you must secure a fair market value on each item, and publicize this information to bidders in the description of the item provided. Also, make sure to provide a thank-you note to each donor contributing an item, with that item described—the actual value should not be noted in the letter, unless the donor has submitted an official appraisal with the item.
Why does the fair market value need to be publicized? According to the IRS, the donor is only allowed to write-off the difference between the fair market value of the item and what they actually paid (for example, if a donor pays \$60 for an item valued at \$50, the donor can only write off \$10 as a charitable donation; if s/he paid \$40, there is no write-off). It is not your responsibility to make sure the donor does this, however—you are fulfilling your responsibility simply by providing the fair market value.
4. Merchandise fundraising (such as candy sales) is always an option; make sure you do your research and work with a reputable company.
5. Asking for an outright gift is also an option as well—and one of the most cost-effective ways to raise money. The most successful asks occur in person, followed by a telephone call. Another option is to send a fundraising letter. Examples of fundraising letters can be found on the Internet; just make sure the Web site is a reputable one. It's also a good idea to ask for a specific amount, based upon each prospect's perceived ability to

give and interest in LPA. If you simply ask for a gift, the prospect doesn't know if you're hoping for \$5—or \$5,000.

6. Working with restaurants that donate a percentage of sales to an organization is also an option that takes little time and effort—essentially, you set things up with the manager of the restaurant (locally owned restaurants can be approached in addition to regional or local chains), publicize the event via a flyer, then follow-up with the restaurant to secure your check. The following Web site lists some regional/national chains that make this type of arrangement available: <http://www.squidoo.com/restaurant-fundraising>

7. If you're conducting a fundraising event, you can maximize your event's fundraising potential by incorporating sponsorship opportunities which feature specific benefits and recognition. For example, if a fundraising dinner has an individual ticket price of \$50, you might also create sponsorship packages along these lines:

\$1,000 Gold Sponsor: Includes table of 10 and full page ad in the dinner program

\$ 500 Silver Sponsor: Includes six tickets and half page ad in the dinner program

\$ 250 Bronze Sponsor: Includes four tickets and quarter page ad in the dinner program

If you sell 20 tickets at the regular price, you will bring in \$1,000. But if you secure one sponsorship at each level, you will bring in a total of \$1,750 for the same 20 guests.

8. Another way to maximize an event's income is by including the following giving option on your response form: "I/we can't attend, but would like to make a donation of \$_____."
9. If you can, try to conduct several fundraising activities/programs throughout the year that will offer something for everyone—but that won't be too much of a strain on the organizers' time and energy (or that will result in "donor fatigue"). If someone can't participate in your major annual event, they might be able to participate in a restaurant fundraiser, for example.
10. There are many great fundraising books available—go to your favorite on-line book store and search on terms such as "fundraising," "development," or "fund development." There are many articles on the Web as well—just make sure the one you're referring to appears to be credible.
11. There are many ways to fundraise creatively—just make sure you are following IRS as well as any local or state regulations. Sound ethics should also be considered when conducting a fundraising campaign or program—you never want to pressure someone into donating, for example. Please also remember that you cannot market your fundraising to benefit a specific person, although a specific person can be chosen after the fact to benefit from your efforts (such as through a scholarship or travel fund).

12. Keep track of your donors in Excel or another database. That will allow you to go back to them again for future fundraising programs, events, etc. The idea is to build a relationship with your donors over time. In fact, if you have the ability to create a chapter e-newsletter or other cost-effective communications vehicle, it's a great way to keep in touch with donors between asks, letting them know about your chapter, its activities, etc. You want to make that donors don't only hear from you when you're asking for money.
13. Say thank you. Always remember to say thank you to your donors in writing and include our 501c3 number. Saying thank you in writing, although time-consuming, is a necessary and vital step in both acknowledging your donors and preparing the donor for a future time when you may ask again.
14. If donations are for the chapter or district then they need to be processed through that chapter and districts banking system and responsibility for correct processing and acknowledgement goes to the chapter or district. If donations go to the national office, including corporate volunteer gifts, but is intended for a chapter or district, then the National office has the ability to charge a small percentage processing fee.