



*Traverse Bay Area Youth Soccer*

## **FUND-RAISING PROCESS**

### **DEFINITIONS:**

**Tax-Exempt = 501 (c) 3 status** Any team or division wishing to use the TBAYS tax exempt status will use the TBAYS logo in its promotional material. This not only promotes the organization, but also ties the funds back to the organization for tax reporting purposes.

**Non-profit fundraising**, which is not considered a tax donation, is considered to consist of innovative ideas and projects to raise money for teams and divisions to support a cause. Money exchanges hands for a specific product or service such as bake sales, car washes, dinner coupons, Tupperware parties, etc.

**Non-profit fundraising – tax exempt**, the donor expects a tax deduction if the donation exceeds the value of the product or service. An example would be a fund raiser in which the donor pays \$1000.00 for a product or service worth \$500.00. The donor would expect to use the difference, \$500.00, as a tax deduction.

**Non-profit donation** is the action of making a gift of money or services where the donor has the knowledge that nothing will be given in return. No tax deduction by the donor is expected.

**Non-profit donation – tax exempt** is the action of making a gift of money or services in which the donor intends to use the donation as a tax deduction.

**Grants** are funds obtained from governmental or private foundations for a specific purpose. These funds do not have to be repaid but must be used for the purposes specified within the grant. Generally for the purposes of TBAYS the 501 (c) 3 status is expected to be used.

**Sponsorships** are a person or organization that pays for or plans and carries out a project or activity in return for the limited advertising time during its course.

## **PROCESS:**

### **I. Fundraising**

#### **A) Non-Profit Fundraising**

- a) Direct public support can be requested (do not need TBAYS approval) for activities such as car washes, candy sales, bake sales, Tupperware parties, etc provided that they are done in “good taste”.
- b) All plans for team fundraising should be discussed and approved at a team parent meeting. Any individual fundraiser where funds are expected to exceed \$5,000 should be brought to the TBAYS Board to ensure that its purpose is within the mission of the TBAYS organization.

#### **B) Non-Profit Tax-Exempt Fundraising**

- a) A written fund-raising proposal must be submitted in advance to the TBAYS Board. Should the Board consider that a proposal is not in keeping with the mission of the organization, that it duplicates other fund-raising efforts, or that if for some other reason is inappropriate, the proposal may be sent back to the team or division to revise or alter the proposal.
- b) Approved activities will need to meet the following criteria:
  - 1) Provide immediate and direct support to a specific activity or project.
  - 2) Funds can not be used for an individual; it must be for the benefit of the team, division or organization.
  - 3) The fund raisers will cover the fundraising and event expenses.
  - 4) All promotional materials associated with the fundraiser must be submitted and approved in advance by the Executive Director.
  - 5) All checks will need to be made payable to TBAYS in order for the participant to utilize the 501 (c) 3 status.
  - 6) 10% of the funds will be given to TBAYS to cover administrative costs.

#### **C) Teams May Fundraise for the Following Purposes**

- a) Tournament registration fees
- b) Travel expenses
- c) Team meals
- d) Referee expenses
- e) Trainers
- f) Team Camps
- g) Equipment
- h) End of Season Celebration
- i) Any other items that are within the mission of TBAYS

**D) Guidelines and Planning for Fundraising:**

- a) Prepare a budget for the season or year and submit to the team, division or TBAYS
- b) List what you will need for extra cash for during the year
- c) Research the costs of each item
- d) Work out how much money you need to raise for each item
- e) Set goals on a monthly / quarterly basis
- f) Plan fundraising activities which will help you realistically reach these goals
- g) Assign implementation actions to committee members and ensure that they are carried out.
- h) Monitor the success of your fundraising efforts
- i) Share both success and failures so that others may be helped by lessons learned.
- j) See Attachment “A” for Fundraising application

**II. Donations**

**A) Non-Profit Donation**

It is the responsibility of the team and division to inform their donors that their donation is not tax deductible. All checks would be made payable directly to the team or division. Non-Profit donations will be limited to \$1,000 unless the donor signs an affidavit stating that they are aware their donation is not tax deductible

**B) Non-profit Tax-Exempt Donation**

The donor is able to utilize their donation as a tax deductible expense. All checks need to be made payable to TBAYS and the donor shall receive a receipt from TBAYS. The donor can specify that the funds will be used for a specific fund within the organization. These funds can be funneled to a team or division as long as it meets the mission of the organization. There will a 10% fee deducted from any donation going to a team or division for administrative fees of handling these donations.

**III. Grants**

**A)** Foundation grant applications have state wide implications, since most foundations base future donations in part on past experiences. One bad experience could jeopardize all of TBAYS future relations not only with that foundation but with other foundations because it is not unusual for grant making foundations to regularly communicate with each other. Because of this all grant application requests must be carefully reviewed and coordinated with the efforts of TBAYS as a whole.

**B)** Teams or divisions must get prior approval from TBAYS before applying for any grant. The approval will have a 2 step process. For approval, teams or divisions must first submit a completed grant request form (see Attachment “A”) to the Executive Director and allow a maximum of two weeks for a response. If the team or division is cleared for an application

to that foundation it must submit its completed grant application to the TBAYS Board of Directors for the review and merits of the proposal or project. Please allow a maximum of 5 weeks for review.

- C) Criteria for Grant approval:
- a) The foundation is not the current or planned recipient of an application from TBAYS.
  - b) The team or division must have experience in grant writing. If there is a party interest in obtaining grant writing experience, Northern Michigan College offers a course in grants called “Grants: Going for the Green” in its Nonprofit Leadership series.
  - c) Any team or division requesting the use of the TBAYS tax exempt status for their grant request understand that the applications that fall within TBAYS current priority list for such items as capital improvements, equipment, player/coach development and program needs will come first. This list will be updated and reviewed each year by the Board of Directors.
  - d) The application will be presented in a timely and professional manner, including all application follow-up activities, site visits, reports, and other activities appropriate for the foundation and/or application.
  - e) The team or division clearly has the capacity to develop and implement the program and/or activities for which the funds are sought and manage the foundation-donor relationship into the future, including the period after the completion of the grant-funded program.
  - f) 15 % of the funds will be given to TBAYS to cover administrative costs.

#### **IV. Sponsorships**

- A) A sponsorship is a Business Agreement which benefits both parties. It is an agreement where services, products, discounts or money is offered in return for promotion (generally) for the sponsor. All sponsorship arrangements, regardless of whether its value or size, that are entered into are valued and all sponsors should be respected for the contribution that they make.
- B) The purpose of this “guide” is to provide the entire TBAYS organization with a framework that gives an idea of the processes involved in successfully attracting and retaining sponsorship relationships and to ensure that any approaches are conducted in a professional manner and reflect the organization’s good as well as the individual team and division needs.

### **C) Guidelines**

- a) Before approaching any person or business about a sponsorship the team or division must obtain the approval of the TBAYS Executive Director to ensure that the organization does not already have a sponsorship relationship with the person or company or conflict with the mission and purpose of TBAYS. The team or division must also provide a written proposal (see Attachment “A”) stating the purpose of the sponsorship and how it meets the needs of the organization.
- b) Sponsorship by tobacco products is prohibited.
- c) Sponsorship by breweries, wineries and distilleries is prohibited.
- d) No racist, sexist, or in other way offensive material is to be printed on T-shirts, posters, or other promotional materials associated with the organization which may attract criticism or diminish the reputation of TBAYS or its Divisions in any way.
- e) Teams or divisions have no authority to enter into contracts or take action which could place an obligation upon TBAYS.
- f) 15% of all monetary goods (actual dollars, if applicable) will be given to TBAYS to cover administrative costs. All other goods or materials given to the team or division will stay with team, division or organization. No sponsorship dollars or goods are allowed to go to an individual.

### **D) The How’s & Who’s of Sponsorship**

- a) Sponsors are very discerning and are looking at the ‘What’s in it For Me’ (WIIFM) factor. Sponsors sponsor for the following reasons:
  - 1) To give the company name exposure to target market audiences.
  - 2) Enhance the image of the company/service/product.
  - 3) Direct increase in customer base and sales.
- b) The best way to improve the chances of getting sponsorship support is by doing the homework and considering the following:
  - 1) Ensure that the company image\product\service does not clash with current sponsors.
  - 2) Choose companies in keeping with the mission of TBAYS
  - 3) Plan ahead. Give sponsors plenty of time to consider and discuss your proposal. Many companies allocate their sponsorship monies before the beginning of the year, so if you approach them in February or March you may have missed your opportunity.
  - 4) Prepare a written proposal which is professional, eye catching and not too long-winded. Get to the point quickly and don’t forget the WIIFM. Remember all proposals must be approved by TBAYS prior to your presentation.
  - 5) Plan when and who you will follow up personally with on your proposal.

## **E) Preparing a Proposal**

- a) Your objective is to secure a meeting with your potential sponsor where you can both discuss the details of your proposal and the various benefits available to both parties.
- b) When putting it in writing, be brief and to the point. Make the document easy to read and professional. Remember also that sponsorship can come in many forms including products, discounts and services. Your team or division may benefit more from the services or products a company can offer than from a pure cash exchange.

### **1) The Opening**

- Date the cover letter and proposal
- State who the proposal is from-including a name and contact telephone number in case of inquiries.
- To who is the proposal addressed, full name and title. Call ahead to confirm spelling
- Briefly introduce the team or division and it's affiliation with TBAYS. Provide a positive image of the organization and outline how the company can benefit from an association with it.

### **2) The Background**

- Give a brief statistical detail of the team or division, the size membership, age, location, etc.
- Give brief examples of successful team activities and services.
- Benefits – What the organizations offers.
- What can you offer a sponsor? Consider publicity, opportunities for product of services sale.
- Show how the company's image can be enhanced through being associated with your team, division and organization. i.e. advertising, acknowledgements, slogans, and awards.

### **3) What We Want**

- Be reasonable when determining a realistic sponsorship "price" in return for the benefits you are offering.
- Make sure you consider amount and type of sponsor exposure.
- Audience potential to sponsor. Who and how many can you market to.
- Compatibility of sponsor and organizational activities.
- Potential for sponsor to increase membership base or/and public image.
- Size of sponsor's PR budget and current promotional commitments they may have.
- Opportunities for sponsor to extend their exposure in the future

#### 4) Seal the Deal

To secure a sponsorship, nothing can replace the personal touch of a presentation by your team, division or the organization to the company. It is important to remember that the people you approach are dealing with organizations requesting money every day. If you are trying to scam them they will be know it immediately. If you know your team, division and organization, believe in what you are offering, your genuine interest and sincerity will be convincing. Once you have a meeting date the most important thing is to get the right person to do it. Find someone who can do the job and do it well. Make sure they are involved in the whole process of preparing a proposal and are well prepared for presenting the interest of the organization in a dynamic way.

#### 5) Follow Up

Congratulations! You got your sponsors. Secure your future with your sponsor and look after them. Make sure you deliver everything you promise. Keep your sponsor involved and informed of all your organizations activities.

##### a) Do:

- i. Show them you value them. Send them copies of all (approved) promotional material containing their logo/name.
- ii. Ask their advice. They may have valuable contacts and business expertise which will benefit the organization during the planning process.
- iii. Send copies of newsletters, advertising and promotional material.
- iv. Keep a scrapbook or log of what support you offer the sponsor during the year for future reference.
- v. Write a thank you letter. Offer praise to particular individuals within the company who may have provided lots of advice or assistance. Ask them if they were satisfied with the level of service the club provide to them.
- vi. Ask specific members to write thank you notes, especially if they have personally gained in some way.

##### b) Don't:

- i. Ignore your sponsor and the commitment your team, division and organization have made to them.
- ii. Forget to include their logo name on promotional material.
- iii. Forget to acknowledge your sponsor at events.
- iv. Expect them to be happy to give again next year if you haven't looked after them.

You have the responsibility to show that the organization is honoring the agreement it has made. A sponsor who sees that your team, division and organization is providing for their needs will continue to support the organization in the future.