MINNESOTA BUSINESS GIVES

Strategies for Smart Giving:
How to Say “Yes” and When to Say “No”

Sponsored by:
Minnesota Chamber of Commerce

Presenter:
Jackie Reis, Minnesota Chamber of Commerce
Minnesota Business Gives
Strong Businesses, Strong Communities

Minnesota Business Gives is designed to motivate, educate, and recognize local businesses in Minnesota for the valuable contributions they make to their communities.
The program is managed by the Minnesota Chamber of Commerce in partnership with local chambers and with support of the Minnesota Council on Foundations.
• Albert Lea–Freeborn County Area Business Gives
• Austin Area Business Gives
• Bemidji Area Business Gives
• Brainerd Lakes Area Business Gives
• Cambridge Area Business Gives
• Cloquet Area Business Gives
• Crookston Area Business Gives
• Detroit Lakes Business Gives
• Duluth Area Business Gives
• Fairmont Area Business Gives
• **Faribault Area Business Gives**
  • Fergus Falls Area Business Gives
  • Greater Mankato Area Business Gives
  • Hutchinson Area Business Gives
  • Litchfield Business Gives
  • Little Falls Area Business Gives
  • Marshall Area Business Gives
• Minneapolis Regional Chamber – Minnesota Keystone Program
• New Ulm Area Business Gives
• Northfield Area Business Gives
• Owatonna Area Business Gives
• Redwood Falls Area Business Gives
• Rochester Area Business Gives
• Saint Cloud Area Business Gives
• Sleepy Eye Area Business Gives
• Thief River Falls Area Business Gives
• TwinWest Business Gives
• Two Harbors Area Business Gives
• Waconia Area Business Gives
• Waseca Area Business Gives
• Willmar Lakes Area Business Gives
• Winona Area Business Gives
Strategies for Smart Giving

Motivations for giving
Developing your giving plan
Implementing your plan
Telling your story
Being recognized
Goals

• To give you the framework for a giving plan

• To give you tools to help implement that plan
Examples of making decisions:

• When is it easy to say “yes”?

• When is it easy to say “no”?
Types of “NOs”

- Categorical NO
- Policy NO
- Personal-Judgment NO
Motivations for business giving

• It’s good for business.
• It’s good for the community.
• It’s a sign of leadership.
• It builds company morale.
• It’s tradition.
Ways that businesses give

• Cash
• In-kind contributions
• Products
• Professional services
• Business services
Ways that businesses give

• Used furniture/office equipment
• Employee volunteers
• Sponsorships
• Memberships
Where does your business stand?

<table>
<thead>
<tr>
<th>BUSINESS SIZE, BY EMPLOYEES</th>
<th>&lt;20</th>
<th>20-99</th>
<th>100-499</th>
<th>500+</th>
<th>Where you are now</th>
<th>Your target in 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Avg. % of gross annual revenue to charitable contributions/activities*</td>
<td>1.6%</td>
<td>.8%</td>
<td>.4%</td>
<td>.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of business establishments making cash contributions</td>
<td>72%</td>
<td>76%</td>
<td>93%</td>
<td>96%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median value of annual cash contributions</td>
<td>$701</td>
<td>$3,000</td>
<td>$8,750</td>
<td>$46,328</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median value of annual donated products/services</td>
<td>$150</td>
<td>$1,000</td>
<td>$1,064</td>
<td>$5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avg. % of contributions and activities within local community**</td>
<td>82%</td>
<td>76%</td>
<td>78%</td>
<td>74%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BUSINESS SIZE, BY EMPLOYEES</td>
<td>&lt;20</td>
<td>20-99</td>
<td>100-499</td>
<td>500+</td>
<td>Current practice</td>
<td>Future opportunity</td>
</tr>
<tr>
<td>-------------------------------------------</td>
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<td>---------</td>
<td>------</td>
<td>------------------</td>
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</tr>
<tr>
<td>Donates company products</td>
<td>44%</td>
<td>55%</td>
<td>61%</td>
<td>60%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provides/encourages employees to volunteer for community activities</td>
<td>41%</td>
<td>57%</td>
<td>73%</td>
<td>84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gives unpaid release time to employees for volunteer activities</td>
<td>36%</td>
<td>53%</td>
<td>60%</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsors scholarship, educ. program, community event or sports team</td>
<td>35%</td>
<td>69%</td>
<td>72%</td>
<td>79%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees serve on civic, non-profit or agency boards or committees</td>
<td>32%</td>
<td>59%</td>
<td>77%</td>
<td>84%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donates/loans surplus inventory, vehicles, equipment or furniture</td>
<td>28%</td>
<td>51%</td>
<td>62%</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gives paid release time to employees for volunteer activities</td>
<td>23%</td>
<td>45%</td>
<td>52%</td>
<td>62%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has a community partnership with non-profit organizations/schools</td>
<td>19%</td>
<td>35%</td>
<td>43%</td>
<td>55%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supports workplace charitable campaigns organized by employees</td>
<td>11%</td>
<td>49%</td>
<td>68%</td>
<td>86%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has an annual budget for its charitable contributions</td>
<td>9%</td>
<td>32%</td>
<td>43%</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offers a payroll deduction program for employee contributions</td>
<td>6%</td>
<td>30%</td>
<td>61%</td>
<td>86%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matches employee charitable contributions</td>
<td>3%</td>
<td>19%</td>
<td>40%</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has written guidelines/criteria for selecting groups to support</td>
<td>2%</td>
<td>14%</td>
<td>34%</td>
<td>56%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Why have a giving plan? It can help you:

• Make wise decisions
• Strengthen ties to customers & community
• Increase satisfaction
• Make it easier to respond
• Reduce time and effort
• Limit number of inappropriate requests
• Make contributions more meaningful
Steps in developing and implementing a giving plan

• Establishing goals and criteria
• Developing procedures
• Budget and tax issues
• Involving employees
• Reviewing requests
• Reviewing your plan
Establishing goals and criteria

- Why do you want to have a contributions program?
- What values are important to you?
- How do you want your contributions to be used?
1. In setting goals, decide which of the following are the most important to you. Choose your top three goals for your charitable contributions and number them 1, 2, and 3.

   A. Supporting organizations that align with our overall business goals.

   B. Supporting organizations that work on issues we care about (e.g., children, families, education, a religious institution, the environment, economic development, etc.).

   C. Supporting organizations at which employees volunteer or contribute.

   D. Supporting organizations important to our customers.
E. Supporting local organizations that rely on community contributions and volunteers.

F. Carrying on the giving traditions the business has already established.

G. Other ____________________________________________

2. If A or B is among your top three goals, turn to Worksheet I-A. It describes values and activities that may be important to those establishing goals.

3. If C or D is among your top three goals and you want to find out what’s important to the company’s employees and customers, invite them to fill out Worksheet I-B.
<table>
<thead>
<tr>
<th>We are interested in:</th>
<th>Examples of organizations that reflect these interests:</th>
</tr>
</thead>
</table>
| □ People in crisis: who are out of work, need food, have no place to live, are victims of natural disaster, are victims of domestic abuse etc. | • Local food banks  
• Homeless shelters  
• Disaster relief organizations  
• Domestic violence shelters  |
| □ Promoting arts, culture, and other “enriching” institutions that contribute to a community’s quality of life. | • Art and history museums  
• Religious and spiritual organizations  
• Performing arts groups  |
| □ Children and youth programs                                                        | • Youth sports teams  
• Boys and girls clubs  
• After-school programs  
• Mentoring programs  |
| □ Education for children and adults                                                  | • Colleges and universities  
• Local school projects  
• Scholarship funds  |
| □ Health promotion/health care                                                        | • Hospitals and clinics  
• Organizations focused on specific disease  
• Medical research  |
| □ Environmental preservation and enhancement                                          | • Efforts for clean-up or habitat restoration  
• Organizations that promote education and public policy around the environment  
• Land trusts that buy and preserve land  |
| □ Civic/community improvement                                                         | • Downtown improvement projects  
• Neighborhood or community groups  |
| □ Other (describe)  
(e.g., employment/jobs; housing; programs for seniors; agriculture/farm related programs) |                                                                                                                     |
4. Do you want your contributions to:
   A. Create something that is tangible and lasting, such as building an addition to a community center or adding lights to a public ball field?
   B. Support ongoing work of local organizations?
   C. Help start a new project or organization?
   D. Be used for all three?
      ______ percent for tangible and lasting projects
      ______ percent for ongoing operations
      ______ percent for start-ups

5. Do you want to:
   A. Focus your contributions on a few organizations? or
   B. Distribute your contributions more broadly throughout the community?
6. Where do you want to make your contributions:

   A. To organizations, projects or causes in our local community
      _____% of total

   B. To organizations, projects or causes in our region
      _____% of total

   C. To organizations, projects or causes in Minnesota
      _____% of total

   D. To organizations, projects or causes in the United States
      _____% of total

   E. To international organizations, projects or causes
      _____% of total
Developing procedures

- Who will manage paperwork?
- Who will make decisions?
- How often will decisions be made?
- How do you want to receive requests?
SETTING UP A DECISION-MAKING PROCESS
Worksheet III

Check the most appropriate answer.

1. Do you want to:
   □ Identify certain organizations that will receive annual contributions?
   □ Respond to requests from the community?
   □ Make ________ percent of overall contributions to an annual contributions list and make ________ percent of the contributions in response to community requests?

2. Who will make decisions about contributions?
   □ The owner(s)
   □ The manager(s)
   □ A committee that includes (check all that apply):
     □ Owner(s)
     □ One or more managers
     □ One or more employees
     □ Someone responsible for marketing, advertising, or public relations
     □ Anyone can agree to a contribution of less than $___________
     □ Other

3. How often will you make decisions about contributions?
   □ Once a year
   □ Twice a year
   □ Quarterly
   □ Monthly
   □ As needed, depending on frequency and number of requests
4. Who will be responsible for collecting requests and ushering them through the consideration process? (It’s important to assign one person to “manage” this process.)
   - All requests should be directed to the owner.
   - All requests should be directed to specific manager.
   - All requests should be directed to the chair of the contributions committee.
   - Other

5. Do you want to produce written criteria describing the kind of projects and programs your company supports? (See Chapter Three.) Criteria help define the requirements for support and communicate the program’s goals and objectives. Criteria also help ensure that your company will receive only appropriate requests.
   - Yes
   - No

6. Are there any types of nonprofit organizations you are not interested in supporting? If so, you may wish to specify that in your criteria. You might say, for example, “In general, we do not fund....”

7. How will you accept requests?
   - In writing
   - In person
   - Over the phone
   - Via email
   - All of the above
Approaches to developing a budget

- Percentage of pre-tax earnings
- Past experience adjusted for profitability
- Planning for the year
Tax considerations

• Allowable deduction for businesses

• Understanding what “qualifies”
Involving and supporting employees

Why involve your employees?

• Increase employee morale, pride and productivity
• Build employee teamwork skills
• Improve your company’s image
How can you involve employees?

- Give priority to employee requests
- Involve employees in decisions
- Match employee contributions
- Organize company-wide volunteer activities
- Give paid release time for volunteering
Checklist for reviewing requests for support

• Does it fit our goals and criteria?
• Have we supported it in the past?

• What is its purpose?
• Is it important to or needed by the community?
• Who/how many will benefit? How?
• How much will it cost?
• How much (or what) is requested?
• Will our contribution make a difference?
• Does it have broad support?
• Does the group have the credibility and capability to be successful?
• Is the approach they plan to use feasible?

• Are our employees involved?
• Are our customers involved?
• If we provide support, how will we be recognized?

• Is this a 501(c)(3) organization (or a public school, unit of government)?
Another resource:
www.SmartGivers.org
Reviewing Your Plan
Worksheet IV

Annual giving and community involvement summary

Cash contributions
   Total $ contributed
   # of organizations funded
   % to local organizations
   % to regional organizations
   % to statewide organizations

Products/services donated
   $ value of products/services
   # of organizations receiving products/services

Employee involvement
   # of employees involved in the community
   # of organizations involved
   Types of involvement
• Are you comfortable with the amount of support you are giving? Does it fit your budget?

• If you gave a little more, would it make a significantly greater impact on your favorite charity?

• How have your company’s employees responded to your contributions?

• After you made a contribution, did you feel that you had absolutely “done the right thing”?

• Do you have a good sense of how your contribution was used?

• Do you understand how the groups you support operate?

• Did your contributions do what you hoped they would do?
• Are there any contributions you know you will not repeat?
  Which ones? Why?

• What contributions will you repeat?

• To what new issue areas or projects, if any, would you like to contribute in the coming year?

• Are there any organizations you would like to support again where employee involvement would further leverage your contribution? If so, which ones?
Telling your story

• Determine your audience

• Select best way to communicate
Being recognized. Participate in your chamber’s recognition program!

Program Description and Participation Form
2% Recognition Program

Minnesota Business Gives is an excellent way for businesses to receive recognition from their peers and their community for the many contributions they make to their local community.

Businesses are recognized for giving cash and/or in-kind contributions to charitable organizations amounting to 2 percent or more of their pretax earnings. Best of all, because recognition is based on the percent of income given in cash and in-kind donations, a small business that gives $1,000 each year can receive the same recognition as one that contributes $10,000.

Businesses are encouraged to participate by completing a Participation Form and submitting it to their local Chamber. On the form, a business certifies that during its most recently completed fiscal year it gave at least 2 percent of its pretax earnings in cash and/or in-kind contributions to charitable organizations. (A Calculation Worksheet is available to help with calculating the 2%.)

In addition to being recognized in its local community, each business receives a letter of thanks and congratulations from the Governor of Minnesota.

If you have questions about Minnesota Business Gives, contact Jackie Reis, jreis@mnchamber.com.
MINNESOTA BUSINESS GIVES PARTICIPATION FORM

YES, we qualify for participation in Business Gives!

Please specify a percentage for each type of giving (must total 100%).

_____ % Cash
_____ % In-kind (services and goods)
_____ % Employee volunteer hours (conducted during normal business hours)

Name of business as it will appear in any publication listing businesses giving 2%:

Business description as it will appear in any publication listing businesses giving 2%:

Executive contact (name and title):

Primary contact (name/title/phone/e-mail)

I hereby verify that the above information is factual.

Executive Signature: ______________________________________________________
Title: ______________________________    Date: _____________________________
Local Businesses Recognized

At Business Awards Luncheon in May
Visit: www.minnesotabusinessgives.org

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