

McLean, Koehler, Sparks & Hammond

Certified Public Accountants/Business Consultants

Nonprofit Organizations

Partner with a like-minded agency for mutual gain

Special events, while an important leg of the three-legged stool of a well-balanced fund-raising program, bring stress to many agencies.



The other two legs – direct donations and institutional funding – are often accomplished without a terrific variation from your day-to-day operations. Donor lists are available from donation histories, and the program descriptions, letters of determination and budgets required by institutional funders are part and parcel to normal operations.

But certain special events may call for tasks outside your agency's skill set. The influence to attract corporate sponsors, the savvy to manage caterers and vendors and the ability to market to the mass public are not necessarily part of your mission ...

not to mention the pool of nonmission volunteers who usually do the work at these affairs.

Your agency may have some of these nonfiscal assets available to it, but without any one of them, the special event may not be doable or, if doable, it may not be profitable.

But you may know of another agency that has the assets yours is missing. And it may not have some of the assets your agency enjoys. Separately, neither agency could pull off the special event in question. But by working together, the event becomes practical and profitable.

Partnered fund raising has become more popular among agencies as the special events market has become more competitive. The process enhances the strengths of the event and minimizes the weaknesses. For the cooperating agencies, partnering can provide a source of funds that would be out of the reach of either agency working alone.

There are some issues to consider when choosing a partner agency for conducting a special event. Here's a brief check list.

Complementary assets

The fund-raising asset base of your agency should be assessed to determine your agency's strengths and weaknesses. Although every special event requires different skills, there are some fund-raising assets required by every event.

They include sponsorship recruitment and/or ticket sales, operations to deal with the logistical demands, public relations and advertising, and merchandising to determine the specific products, services or event content. Your strengths are your fund-raising asset base. Your weaknesses are the fund-raising asset base of a good fund-raising partner.

Defining the roles, dividing the work

Every well-organized special event involves a list of tasks to be completed including the task's due date and the person responsible.

A partnered fund-raising effort would include an additional column: the agency responsible for the task. In the planning process, any disparities between the work load shouldered by either agency become recognizable. Also, it should be apparent if each agency is handling the work for which it is better qualified.

Compatible mission

A vegan animal rights shelter and a soup kitchen that depends upon meat contributions are probably not going to be good fund-raising partners. Regardless of their complementary assets, they each appeal to different constituencies and promote mutually exclusive values. But that same animal rights shelter might work fine with a health clinic, and the soup kitchen might be appropriately paired with a theater group.

Divvying the proceeds

One area with potential conflict is the division of the proceeds. To make the accounting clear, a checking account could be set up and funded with enough cash to execute the campaign. The agencies could contribute equal amounts to the start-up fund, or the agency providing the start-up cash could be reimbursed this amount prior to any payout. Before any profits are split, all the campaign's direct expenses should be paid.

But should the net proceeds be divided equally between the two agencies? If one agency provided significantly more volunteers, for example, or allowed the event to be conducted on its property, it may deserve a larger portion of the net proceeds.

If the split is not 50-50, the affecting factors should be clearly decided in advance and expressed in writing. Also, the methods used to value the factors should be clearly agreed upon.

Partnering for fund raising is powerful. However, to be successful, it requires an objective eye, good planning and a cooperative spirit. Consult an experienced business planner to help you use this powerful tool.

McLean, Koehler, Sparks & Hammond helps owners and business leaders become more successful by providing innovative financial, technology and management solutions for every stage of their organizations' life cycle. For more information on this article or MKS&H, please send an email to info@mksh.com or call 410.296.6200 and the marketing director can put you in touch with the right department.

Permission to use, copy and distribute this document and related graphics is hereby granted, provided that the above paragraph and the permission notice appear on all copies.

McLean, Koehler, Sparks & Hammond

11311 McCormick Road, Suite 100
Hunt Valley, MD 21031
410.296.6200

www.mksh.com

70 Thomas Johnson Drive, Suite 100
Frederick, MD 21702
301.662.2400