

LWVO / Local League Coordinated Fundraising Policy

Importance of Fundraising at the State and Local Level

The League of Women Voters operates at the national, state and local levels with more than 800 leagues in the U.S. In Ohio, there are 31 Local Leagues (LLs) that drive activity at the local level, and the League of Women Voters of Ohio (LWVO) that focuses on state-level advocacy and voter service. The [League Basics guide](#) summarizes our fiduciary responsibility as League members in financing this work:

The League of Women Voters at all levels must be adequately financed in order to operate and achieve its goals. And each level of the League is responsible for the financial well-being of the League as a whole. Financial support for League activities comes from members (who are our most dedicated and committed source of funds) and from the community (individuals, foundations, companies and businesses). Fundraising is a year-round effort, not just a once-a-year fundraising drive. It must be built into every activity and project on the League's agenda, and it is every board member's responsibility. (p. 8-9)

Every LL in Ohio knows how important fundraising is to their operations. At that same time, LLs are mostly all-volunteer organizations. Many have limited capacity for fundraising. LWVO is no different. LWVO consists of members of every local league in Ohio, an all-volunteer Board of Directors, along with a small staff (currently 2 full time employees, a part time administrative assistant, and a part time contracted accountant). In 2016, LWVO made a bold step in contracting with a development professional to serve as a part-time Development Director to focus on fundraising, both in yearly operating donations and for long term sustainability funds. In 2020, we are maturing our fundraising efforts even further by articulating how LWVO and Local Leagues can work together to raise revenue for our work.

The Criticality of Coordinated Fundraising

This impetus for this policy arose out of a need to continue building the endowment funds of the League of Women Voters of Ohio, which launched as the Inspire Campaign in 2015. The endowment is designed to provide long term financial security for the League. However, the importance of this policy extends beyond growing the endowment, as this policy is critical for securing funding for operational and program work as well. In addition, securing funding is heavily contingent on building relationships with large donors, specifically companies and foundations in Ohio that support our work and who are capable of significant giving. At the same time, some LLs are also pursuing companies and foundations to fund their operations, and some LLs receive regular funding from sources that LWVO is also interested in pursuing. There is a need to be aware of what relationships already exist so that either the LL or LWVO can approach the potential donor with this information in mind, and so that solicitation can be coordinated or avoided when the situation requires it, and so that donor does not become confused about donating given our three-tiered membership and operating structure. It is also critical that we maximize the time of our contract Development Director so she can freely

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pursue soliciting donations without needing to check with LL Boards when approaching a potential donor geographically located near a LL.

Benefits of Coordinated Fundraising

Local League fundraising activity varies and without a doubt every LL is looking for ways to secure additional funds and donations. In some parts of the state, LLs are looking for help and guidance in securing revenue, and any help from LWVO is welcome. In other areas, LLs have built long-standing relationships with companies or foundations, and yet those organizations may be capable of giving more if increased focus and effort is directed towards them as a donor. In some cases, by coordinating and joining forces, LWVO and the LL may be able to secure larger or increased gift amounts from an organization that would not have occurred without a joint strategy. At the same time, potential donor confusion can be avoided if either the LWVO or the LL refrain from approaching a donor who is already giving to the League's mission. Coordinated fundraising is for the benefit of LWVO and the Local League, with the goal of maximizing resources for the good of all.

Coordinated fundraising is designed to discourage competing against one another and instead encourage coordination, support, and win-win situations where possible. The purpose of this policy is to articulate how fundraising and development activities that either the League of Women Voters of Ohio (LWVO) or a Local League (LL) in Ohio is pursuing with a company or foundation can exist and proceed.

- (1) in parallel with one another,
- (2) in coordination with one another where there is already a relationship in place, or
- (3) in a way that does not require either LWVO or LL to seek permission from the other to pursue relationship-building because disclosure of existing relationships has already occurred.

At the same time, this policy recognizes that different LLs and LWVO have varying capacity to pursue fundraising activity and donor relationship building. As a result, outcomes from development and donor solicitation activities should be distributed according to the effort and contribution each party provides in building the relationship and securing the donation.

Section 1. Open Communication and Coordination

For coordination to occur, open communication is a necessity. With a state-wide league structure, one mechanism for supporting coordination is through self-reporting of planned and actual activities and relationships. To support open communication and coordination, the following will occur:

- 1.1. LWVO will create a platform (e.g. spreadsheet or file structure on Google documents, shared calendar, etc.) to allow for LWVO and LLs to self-report on their

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development plans, events and activities targeting large companies and foundations.

- 1.2. Between July 1 and July 30 of every calendar year, LWVO and LLs will submit their planned development activities for the League year which specifically target large companies and foundations. Updates can be made on an ongoing basis, but must occur at least once per year in this window.
- 1.3. Information to be uploaded should include a list of current and prospective corporate and foundation donors for either the LL or LWVO with the following designations:
 - 1.3.1. **Past donors:** companies or foundations who have given within the past 5 years, as of 7/1 of the League year.
 - 1.3.2. **Active donors:** companies or foundations who have given within the last 2 years, as of 7/1 of the League year.
 - 1.3.3. **Potential donors** that the LL or LWVO intends to reach out to in the League year (called a target list), recognizing that potential donors may appear on multiple lists and within one of the following categories:
 - 1.3.3.1. **Name Only.** Name of company or foundation
 - 1.3.3.2. **Name and Contact.** Name of company or foundation along with a contact (address, phone, email) of someone inside the organization
 - 1.3.3.3. **Name, Contact, Outreach Started.** Name of company or foundation along with a contact (address, phone, email) with an indication that an attempt at reaching the contact has begun
 - 1.3.3.4. **Name, Contact, Outreach Achieved.** Name of company or foundation along with a contact (address, phone, email) with an indication that some positive outreach has already been established and a relationship is building
 - 1.3.4. Any special or long standing relationships or information about the donor should be noted (e.g. a company has been a sustaining donor for 25 years, or a foundation only gives to voter service specific activity)
- 1.4. Local Leagues should list **one** representative from their League that will serve as the point of contact for development and coordination with LWVO. LWVO will list

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the contact information for the Development Director and the Development Committee Chairperson.

- 1.5. Local Leagues can choose not to participate in this process if they do not find coordination beneficial to their League. However, LWVO can't avoid potential conflicts with LL fundraising activity if it is not aware of existing LL efforts. Similarly, LLs can't avoid potential conflicts with LWVO fundraising activity if they are not aware of existing LWVO efforts.

Section 2. Coordinating Solicitation to Current and Prospective Donors

Outreach to companies and foundations can potentially be coordinated but will be dependent on LL or LWVO self-reporting as described in Section 1. Coordination, especially to potential donors from whom a Local League has yet to receive funds, is beneficial to both the Local League and LWVO, and provides an opportunity for win-win. When self-reporting occurs, the following norms will be observed:

- 2.1. When either LWVO or the LL decide to share information about past or active donors (cash or in-kind), each entity shall consult with the other entity before approaching that past or active donor.
- 2.2. When either LWVO or the LL decide to share information about potential donors (target list) in category 1.3.3.1 or 1.3.3.2 above (just a name or contact), and the same donor appears on both entities' target lists, the entity that reaches out to the potential donor should notify the other entity that contact is planned, was attempted or made.
- 2.3. When either LWVO or the LL decide to share information about potential donors (target list) in category 1.3.3.3 or 1.3.3.4 above (outreach started or achieved), the LL or LWVO shall coordinate with the other entity if there is a desire to approach the same potential donor.

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Section 3. Joint Solicitation and Fundraising with Prospective Donors

- 3.1. Joint fundraising and splitting revenue between LWVO and the LL is possible when both parties approach the same donors in a coordinated way. How donations are shared should be based on:
 - 3.1.1. Donor status (Past, Active, Potential)
 - 3.1.2. Level of effort LL and LWVO each agree to put towards solicitation and then actually execute over time with a target donor (e.g. writing grant, preparing pitches, scheduling and attending meetings, taking donors to lunch, making phone calls, preparing and printing materials, sending thank you notes, general effort made in follow up, etc.)
- 3.2. Revenue split for joint solicitations will be different based on different levels of effort, e.g. one party has the contact/relationship and the other party leverages it to further build the relationship. The starting point for levels of effort and corresponding revenue sharing, which can be adjusted in discussions about coordination, will be:
 - 3.2.1. **Cold lead:** Where a name, contact, etc. is shared, the entity that does the sharing receives 10% of any donation secured. The entity that pursues and develops the opportunity further receives 90% of the donation.
 - 3.2.2. **Warm lead:** Where a name, contact, etc. is shared, and an introduction by phone or email is made by one entity introducing the other entity that makes the introduction receives 15% of any donation secured. The entity that pursues and develops the opportunity further receives 85% of the donation.
 - 3.2.3. **Hot lead:** Where a donor has already given (past or active) and has the potential to give more, or one entity has already established a relationship and the other entity is now interested partnering to develop the relationship further and secure additional gifts, the opportunity for revenue sharing is the gift differential, or the difference between the original donation amount and the new donation given. (For example, the initial donation was \$500 and through partnership the donor gave a second donation of \$5000. In this case, the gift differential is \$4500.) The entity that secured the original donation will receive 30% of the gift differential (30% of \$4500 is \$1350) and the entity that pursues the opportunity further and grows the relationship will receive 70% of the gift differential (example: 70% of \$4500 is \$3150).

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- 3.2.4. **Joint pursuit:** Joint pursuit occurs when the LWVO and the LL jointly approach a past, active, or target donor. The percentage of revenue sharing will be agreed to by the two entities, based on the type of opportunity, what the donor is willing to fund (including which entity will fulfill any conditions that the donor might place on the gift), and the relative effort put forward by the LL and LWVO.

Section 4. Entering into Memorandum of Understandings for Specific Situations

If a Local League and LWVO agree to coordinate and engage in a joint fundraising initiative (Section 3.2.3 “Hot Lead” and Section 3.2.4 “Joint Pursuit”), a specific Memorandum of Understanding between LWVO and the Local League shall be drafted and signed before joint development activities are to occur.

The MOU shall contain basic information about who the target donor is, the costs LWVO and the Local League can both expect to incur in pursuing the donor and how those costs will be handled, and how any expected revenue received will be shared.

The MOU can only be signed by the President of the Local League and the Executive Director of LWVO.

Section 5. Restricted vs. Unrestricted Donations

This policy covers all fundraising situations involving large companies or foundations. However, there are differences between obtaining unrestricted donations and restricted donations (e.g. a grant to cover a specific project or initiative). Information sharing and coordination are important in both instances. However, revenue sharing may not be appropriate when Leagues seek grants to fund particular activities. If LWVO secures a grant from a foundation for a statewide project, no revenue-splitting with LLs is necessary unless it is specifically a pass-through grant designed to fund LL activities. Similarly, if a LL wins a grant for a particular local project, no revenue needs to be shared with Ohio. Indeed, in such cases, revenue-splitting might be inconsistent with donor intent, and would be hard to justify when reporting back to the donor on how the funds were spent.

Section 6. Coordination and information sharing about high dollar individual donors

Coordination and information sharing about past, active or potential individual donors likely to give at high levels will be subject to the creation of an LWVO policy on donor information sharing and privacy preferences and will be addressed in a separate future policy.

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Section 7. Handling Disputes

Any disputes arising out of the implementation of this policy shall be handled by the LWVO Board of Directors, with representatives from both the Local League and LWVO who participated in the fundraising activity in question in attendance to explain the situation. Upon understanding the particulars of the situation from all perspectives, the LWVO Board of Directors will resolve the dispute in a fair and equitable manner to all.