



## Increasing Individual Giving

### 2. Golden Rules and Different Methods



Individual giving is very important and makes up 77% of charitable giving in the UK, compared to 18% from the top 400 Trusts and Foundations and just 5% from corporates.

# Golden Rules of Individual Giving

- It's about **people** asking **people** to give to **people**, so behave nicely!
- It takes **time**, especially for the big bucks
- It requires investment of your **time** and **money**
- Focus on the **people** (prospects) and **make it easy** for them
- It therefore requires a **plan!**



## Different methods

- Payroll Giving
- Endowments
- Legacies/bequests also called Planned Giving
- Online giving
- Campaigns
- Longer term strategies



These are the major forms of individual giving. Some of them may link to other forms.

## Methods – payroll giving

- <http://www.hmrc.gov.uk/businesses/giving/payroll-giving.htm> HMRC guide, online, also lists the 17 charities which are payroll giving agencies
- <http://www.payrollgiving.co.uk/index.php?getID=3&getTitle=Employee> only museum on there is Museum of the Royal Navy!
- <http://www.charitiestrust.org.uk/aboutct/> is registered as a payroll giving agency with HMRC



Payroll giving is a tax efficient, three way agreement between a charity, an employer and its employees with a middle man, the payroll giving agency. It's tax efficient because the charitable donation is made before tax is paid on the contribution.

## Methods – endowment

- pool of funds raised by a non-profit organisation which is then invested, and which provides returns or ongoing income to the non-profit, either for a designated purpose or for general operating support
- requires long term vision and goal!
- requires a substantial sum as it is the *interest*, not the capital, which you will use



The capital invested has to be so substantial that it gives you an income stream just through the interest it pays.

Building an endowment probably requires a team and, as you're talking about very substantial donations you've got a lifetime commitment to keeping those people informed and happy about your plans.

Endowment donors are giving because they want your organisation to be sustainable.

To publically launch an endowment you probably need to have 25-50% of the goal already raised. Some of this money may have come from foundations rather than from individuals. Focus on Multi-Year Gifts: remember, many people who couldn't write you a cheque for £100,000 right now could write you a cheque for £20,000 each year for the next five years. Make it easy for your donors to give by offering yearly or monthly invoicing and automatic credit card payments for those that are interested in them.

# Methods

- Campaigns
- Longer Term Strategies
- *Legacies and Planned Giving and*
- *Online giving*

*Are both covered in more depth in separate presentations which accompany this one*



## **Campaigns**

A campaign is really just a name for a well thought through fundraising project! In the same way as a political campaign has an aim – election of an individual, successful change to a policy – so a fundraising campaign has a definite end. This allows the fundraisers to create a sense of urgency and also to celebrate success at the end.

## **Longer term strategies**

However, most institutions would give their eye teeth for something longer term. If you thought that you had a guaranteed income even of just £5,000 for ever, you would be able to plan further ahead. You could use that as seed funding for projects, for posts, for acquisitions, and most importantly for leveraging other funding. That's why legacies, endowments and payroll giving are so important – they're the drip feed solutions that, once set up, can earn money for you whilst you get on with other, shorter term things.