Fundraising Tips

Alpha Kappa Psi is recognized as the premier developer of principled business leaders.

Sometimes chapters find themselves needing more funds than they have available. In order to provide the quality of services to members and the university community, chapters find they need to raise additional funds. Below are some suggestions for running a successful fundraising campaign.

Funding sources for organizations:
- Membership donations — a basic source of funds. The least risky method.
- Foundations/grants — sources generally fund only new projects for traditional community groups and rarely fund for operating expenses. The time line between application and award are quite long. The politics of grants increase the difficulty of getting the award.
- Contributions from outside vested interests — merchants, parents, alumni, etc.
- Mutual benefit projects — donors with no direct link to the organization receive a service for their money. For example: sales of products, services, advertising, etc.
- Some companies will provide matching funds.

Ideas for successful fundraising:
- Host a bingo game – be sure to check with your institution about a gambling license.
- Hold a raffle – be sure to check with your institution about a gambling license.
- Run a good publicity campaign — people who have to be told who you are won’t give.
- Develop a detailed annual budget — show how much money you will earn and prevents you from premature spending.
- Set goals for funds to be elicited — this will prevent approaching only easy sources of funds who may expect to dictate your program.
- Assign one or two fundraisers and give different people responsibility for the current and next year’s budgets, to spread involvement and prevent expectations that one year will pay for the other.
- Develop a plan — maximize your communication and efforts by planning around major events. T-shirt sales, raffles and dance marathons are great anchors for smaller contests.
- Share the plan with everyone involved — get feedback and commitment.
- Guard against reduction of regular funding — inform regular funding sources additional funds raised will go to supplemental, not regular programs.

During the campaign:
- Never allow fundraising to disrupt regular services or programs.
- Assign each fundraiser reasonable portion of the total plan.
- First approach individuals with an interest in or connection to you/the chapter.
- Approach unrelated donors through mutual contact.
- Get organizations to match funds raised from their members. Match individual donations with large contributions. (People often give more if their money is doubled through matching funds.)
- Give donors something tangible for their money (a pen, receipt, certificate, etc.).
After the campaign:

- Follow-up immediately on pledges. (Generally only 50% of pledges actually pay. Immediate follow-up may raise this statistic.)
- Publicly reward fundraisers.
- Review campaign for successes and failures.
- Plan next year’s campaign.

Characteristics of a good fundraising campaign:

- The organization raising funds is respectable.
- Hard money is raised. Money which can be spent on what you want, rather than what the donor wants.
- Front money is avoided.
- Little is financially risked. As much as possible, supplies and services needed are donated.
- Incentives are built-in for donors and fundraisers.
- Money comes in over time, not in one lump sum. On the basis of contributions, the plan is reevaluated and reworked if necessary.
- Staff time is not eaten up with fundraising.
- Publicity for the organization is built in.
- The plan is repeatable.

Adapted from “Successful Fundraising” The University of Iowa Center for Student Involvement & Leadership

Required Fundraising Information

The Omnibus Budget Reconciliation Act of 1987 (Public Law 100-203) imposes a requirement on tax-exempt organizations that a “conspicuous and easily recognizable” statement appear on all fundraising solicitations, including dues billings. This statement must specify that all contributions and payments made to the organization are nondeductible as charitable contributions for federal income tax purposes. The disclosure requirement became effective January 1, 1988. Failure to comply can result in a $1,000 per day penalty by the Internal Revenue Service.

This disclosure requirement is applicable to all organizations exempt from taxation under 501(c) of the Internal Revenue Code except 501(c)(3) organizations. Other than the Alpha Kappa Psi Foundation, AKPsi is not aware of any Alpha Kappa Psi entities that are 501(c)(3) organizations. Therefore, the requirements of the act will need to be followed by AKPsi chapters, housing corporations, and all other entities within the Fraternity.

Alpha Kappa Psi has been advised by its legal counsel, Barnes and Thornburg LLP, that the following language should appear on all fundraising solicitations, dues billings, invoices and on the message side of any cards or tear-off sections that the contributors return with a contribution:

"Contributions or gifts to (insert the name of chapter, board of trustees, housing corporation, etc.) are not deductible as charitable contributions for federal income tax purposes. However, they may be deductible under other provisions of the Internal Revenue Code."

This disclosure should be in the same size type as the main text of the solicitation and should either be at the beginning of a paragraph or stand alone as a paragraph. This disclosure rule also applies to telephone, television or radio solicitations. In the case of a telephone solicitation, the
disclosure should be made in close proximity to the request for a contribution. Any follow up confirmations or billing statements should comply with the guidelines set forth above.

The Fraternity suggests this information is adopted by your chapter, colony, board, etc., to avoid any IRS penalties.

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Exploring Student Government Funding

- Approach your university’s student government association, or the governing body which disperses funds to student organizations, and request a grant to pay for the registration fees, lodging and transportation expenses to Fraternity events (PBLI, Convention/College of Leadership).
- Also approach the dean of the business school for other avenues to help your chapter secure funds. Emphasize the educational program and how it will benefit your chapter members as business students.
- Plenty of sources exist for funding student organizations; you just need to find them. If you remain persistent, your chapter has a good chance to defray at least some of the expenses to attend. You’ll never know if you don’t ask.
- Your request for funding packet should contain the following items:
  - Brief cover letter — be concise and to the point.
  - Proposal — this is where you outline the exact dollar amount you are requesting. You should also emphasize why the funds are important and what benefit will be derived from their use.
  - Event publication/information