

New Jersey Library Association
Fundraising Plan for the New Jersey Library Association
Developed on August 8, 2011

INTRODUCTION

The New Jersey Library Association (NJLA) is facing budgeting issues like many other associations are these days. The economy which has resulted in layoffs of a number of library staff members in communities across the state has caused a reduction in the number of members of the association. However, costs for providing services to the members continue to escalate creating a hardship on the associations' budget.

Peter Pearson, a consultant with Library Strategies Consulting Group, was asked to conduct a half day workshop with members of NJLA to develop a fundraising plan for the organization to increase revenues for essential association services. The workshop was held on Monday, August 8, 2011, at the Monroe Public Library. The following members participated in the half day session: Brett Bonfield, Mary Romance, Pat Tumulty, Catherine Dodwell, Susan O'Neal, Connie Paul, Keith McCoy, Joan Bernstein and Irene Goldberg. Peter Pearson served as the meeting facilitator.

FUNDRAISING HISTORY OF NJLA

NJLA is currently involved in a number of revenue generating activities. The major activity which it conducts annually is its membership campaign. Following is a list of revenue generating activities for the year.

1. Annual membership campaign conducted in July - \$150,000
2. Scholarship solicitation - \$3,000
3. Revenue from a raffle taking place at the annual conference - \$1,200
4. Vendor sponsorships at annual conference - \$10,000
5. Revenue from a library store - \$10,000
6. Grant writing to corporations such as Verizon which are not done regularly

In addition, the Association also has the following funds at its disposal:

1. Endowment fund of \$170,000
2. Diversity scholarships between \$10,000 and \$20,000 (a part of the \$170,000 endowment)
3. Advocacy fund, \$1,000 to \$2,000
4. Capital fund for new office building for NJLA \$30,000 - \$35,000
5. Legal defense fund of approximately \$8,000
6. General endowment approximately \$70,000

The members of the group looked at each of the categories of revenue more closely and developed three year goals and strategies to increase revenue from that particular activity.

SPECIFIC FUNDRAISING AND REVENUE GENERATING ACTIVITIES

Membership

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
1,560 members	1600 members	1,650	1,700
1100 personal			
460 institutional			

	<u>Revenue Generation</u>		
\$150,000	\$155,000	\$165,000	\$175,000

The following strategies for increasing membership revenue were suggested:

1. Create a different letter for lapsed members pointing out the importance of all members to the association.
2. Consider a \$5-\$10 increase in membership dues over the next one to two years.
3. Fully explain the benefits of membership and eliminate as many benefits as possible for non-members.
4. Have the president of the association send an email to all members touting the benefits of membership in NJLA.
5. Have members of the Executive Board and committee chairs make personal phone calls to library directors who are currently non-members requesting that the director join NJLA and that he or she encourage all members of their staff to join.
6. Remove the special solicitations for restricted funds from the annual membership mailing beginning in 2012 and thereafter.
7. Suspend fundraising for special restricted funds for the next few years.
8. Conduct a personalized annual fund in November and December going to all members requesting a charitable contribution at year's end. (Additional details about the annual fund campaign will be given in the next section.)

Annual Fund

An annual fund solicitation is different from a membership campaign. Membership campaigns are viewed by individuals as purchasing services rather than being a charitable tax deductible contribution to an organization. The annual fund typically involves sending a one page letter highlighting all of the good works of the organization in the previous year and requesting that individuals make a tax deductible contribution in support of all of the work of the organization without specifying projects for which the contribution is to be earmarked. This allows contributions from an annual fund to be unrestricted and used in whichever areas the organization has the greatest need.

The majority of the annual fund letters to the organization's members will be signed by the organization's Board President. However, a group of individuals such as the Executive Committee and Committee Chairs should be asked to select names of individuals from the membership list whom they know and personalize those

letters resulting in larger contributions. The membership list could be sent out to all individuals on the Executive Committee and to the Committee Chairs at some point in October. Each person would be asked to select 15-20 names of people they know to whom they would be willing to write a special solicitation. These names would be sent back to the NJLA office and the Executive Director would eliminate duplicates and arrange for letters to have individual signatures of the volunteer who has selected people whom they know. A date would be picked in early November when all volunteer solicitors would come together for a letter signing event. The purpose of this is to make the individual letter signing as enjoyable an activity as possible. All members of this group should also have committed to making their own annual fund contribution, so when they write personal notes on the letters which they will send they are able to ask these individuals to join them in making a year-end contribution to NJLA. Personal notes are added to the letters. Individuals who know them sign the letters and also put their name on the return envelope so the individual receiving the solicitation knows that it's been sent personally by someone they know. Forty-four cents stamps would be used on the mailing at all times. When possible, volunteers should also attempt to make a follow-up phone call to those to whom they have written a personal note. This form of personalizing solicitations should result in much larger contributions from all of those individuals who have received a personalized letter.

Corporations and library vendors should also be sent an annual appeal letter specifically earmarked for corporate purposes. This would be a separate letter from that going to individuals highlighting the work of libraries, in general, within the state.

One final annual solicitation which could be sent, would be an appeal to all Facebook followers of NJLA. The NJLA office has the capability of eliminating members from the list of Facebook followers so that a special electronic appeal could be sent only to those individuals who are nonmembers and Facebook followers of NJLA. The goals for the annual fund would be as follows:

Year 2011	Year 2012	Year 2013	Year 2014
\$5,000	\$15,000	\$17,500	\$20,000

Planned Giving

The committee discussed the area of planned giving recognizing that this is an area of fundraising in which all organizations should be involved. There currently is a planned giving brochure for the association and the group discussed some simple strategies for increasing awareness of possible planned gifts to the association.

- 1) A letter should be sent to the individuals who have been identified as having NJLA currently in their will. These individuals should be asked to confirm with the association whether or not this is the case.
- 2) The NJLA newsletter should occasionally run an article about the importance of planned giving. If a planned giver to the association already exists, to do a

feature article on that individual and why they have chosen to leave a gift to NJLA.

- 3) Consider adding a tag line to the association's letterhead which encourages members to make a planned gift to the association. (It was also suggested that the association letterhead change from year to year to reflect the current members of the association's Executive Committee.
- 4) Conduct an annual mailing of a planned giving brochure to all members of the association in March.
- 5) Members of the Executive Board and Fundraising Committee should consider the possibility of becoming planned givers to the association. As an example, this could easily be done by proposing that a small percentage of an individual's work life insurance policy be given to the association as a beneficiary. These policies are typically term life insurance policies that are not in effect after an individual stops working for that particular library.
- 6) Create a name for the group of individuals who are planned givers to the association. One of the typical names for this group would be the Legacy Society.
- 7) Conduct an annual recognition event of individuals who are planned givers to the association to highlight these individuals and bring attention to planned gifts for other members. This recognition event could take place at the annual conference or could be a special event held at another time of the year.

No dollar goals were set for planned giving since this type of revenue cannot be forecast and all revenues from bequests will be added to the association's endowment unless otherwise specified by the donor

Major Gifts

Most organizations which have a mature fundraising programs conduct major gift giving activities. A major gift is requested from high level annual donors every five to ten years. A major gift is often ten to twenty times the size of an individual's annual gift. These gifts are solicited for a special purpose rather than for general operating support.

It was recognized that to conduct a major gifts campaign for the association would require staffing. Since this is not possible at this time, it was recommended that a major gifts program be delayed for the next three years.

Event fundraising

It was acknowledged that event fundraising is most successful when an organization has large numbers of volunteers and the capability of obtaining a number of corporate sponsorships of the event. Typically, individual ticket sales do not make a large profit for an event. Given this, it was the recommendation of the committee that special events not be begun at this time but that a sub-committee of the fundraising committee of NJLA be assigned to look at events in the future.

Capital Campaign

The Executive Director of the Association informed the committee that the current building, being rented by NJLA, has been put on the market for sale. This potentially speeds up the need for NJLA to have its own building, a concept which has been discussed with the Association for a long time now. It was acknowledged that the Association currently has a capital fund of approximately \$35,000. It is hoped that a building can be purchased in the range of \$200,000 to \$250,000 to meet the Association's needs. The following recommendations were made in regard to a proposed capital campaign.

- 1) The Association has a greater need for operating funds at this time and therefore a capital campaign should not be launched for building purposes.
- 2) A mention of the Association's need for a new building could be made in an annual fund letter and could encourage people to give a greater amount during the annual fund.
- 3) If a building is purchased in the near future, the Association could consider launching a renovation campaign for that building in approximately three years.

General Recommendations

The group suggested that the fundraising committee of NJLA be expanded and reenergized in the near future. Members attending the planning session today indicated their willingness to be a part of the NJLA expanded fundraising committee. Additional members of NJLA such as past presidents, who are well known individuals in the association, could also be added. There would be five potential sub-committees of the fundraising committee.

1. Annual Fund Committee
2. Membership Committee
3. Planned Giving Sub-Committee
4. Major Gifts Sub-Committee
5. Events Sub-Committee

A calendar of fundraising events for the association for 2012 could be as follows:

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| January | Acknowledge all annual fund gifts and enter the information into the Association's database. |
| February | Expand and energize the standing fundraising committee of NJLA |
| March | Conduct a planned giving mailing to all members of the Association |

- May Conduct an annual fund appeal of corporations and vendors only.
- June Identify an individual or foundation donor to make a grant which can serve as a matching gift incentive for other individuals contributing to the annual fund in the fall.
- July Conduct the annual membership campaign and eliminate the special solicitations from the campaign brochure.
- October Organize callers for personalizing the annual fund mailing. Ask volunteers to choose fifteen to twenty individuals to whom they will send personalized letters.
- October Get all NJLA Board members and the fundraising committee members to make an annual fund contribution.
- November 1 Host a letter signing event for all volunteers to sign letters.
- November 6 Target date for all annual fund solicitation letters to be mailed.
- December Volunteers make follow-up phone calls to those on their list to whom they have sent letters

CONCLUSION

NJLA has a strong history of providing excellent member services to its 1,650 members. The organization is in a strong position to be able to enhance its revenue generation through additional fundraising activities. Major components of additional revenue include changes to the current membership campaign, suspension of special restricted fundraising efforts, and the implementation of the first ever annual fund solicitation to all members. The involvement of and the expansion of the NJLA fundraising committee will be critical to the success of the Association's fundraising efforts. These fundraising efforts must also be acknowledged and endorsed by the Association's Executive committee and full Board. With this support, there is no reason that NJLA should not be able to raise significant amounts of additional revenue from its members in the coming years.