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Learning

Introduction to corporate giving

How companies give

Cash contributions

- Foundation grants

Some companies choose to make contributions through organized philanthropy, meaning they set up a company-sponsored foundation to distribute grant funds. A company-sponsored foundation may retain close ties with the donor company, but it is an independent organization with its own endowment and board of directors; it is subject to the same rules and regulations as private foundations.

- Corporate contributions

Many companies have both foundations and direct corporate giving programs. Direct corporate giving programs are grantmaking programs established and administered within a profit-making company. Unlike company-sponsored foundations, these corporate contributions are not a separate entity from the corporation and their giving is generally directly related to a company's profits.

- Corporate sponsorships

Corporate sponsorships are a form of marketing which a corporation pays for all or some of the costs associated with a project or program in exchange for recognition. The level of recognition depends on the goals of the sponsor.

- Cause-related marketing

Cause-related marketing is a mutually beneficial partnership between a corporation and a nonprofit. Typically, the company pledges a percentage of its profits to the nonprofit when their product is purchased.

- Matching gifts through employees

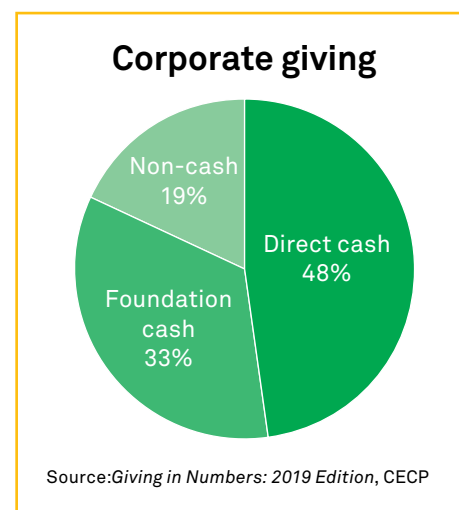
Employee matching gifts are grants an employer makes to match its employees' charitable contributions. Typically these matching gifts are dollar-for-dollar, but some companies will give double or even triple the original donation. Some companies may also give matching gifts for employees' volunteer efforts.

Non-cash contributions

- Products

- Pro bono services and employee volunteerism

- Space



Key takeaways

- Corporate philanthropy is motivated by company interests
- Look at your organization from the company's point of view
- Companies support nonprofits in many different ways

Why companies give

- To take advantage of tax deductions

Companies can deduct up to 10 percent of their taxable income. While tax benefits are appealing to corporations, a tax break is typically not the primary motivation companies give to nonprofits.

- To advance their business objectives

Companies are looking for nonprofits who connect them to current and potential customers and who address issues of interest to the company. Altruism may factor in as well, but often the underlying question is, “How would supporting this organization be good for our business?”

- To increase corporate visibility

Companies are looking for nonprofits that can raise their visibility by reaching a large audience. Supporting nonprofit causes is one way to draw positive attention to a company.

- To be good corporate citizens

Companies want to be seen as socially responsible and contributing to economic development while improving the quality of life for their employees and the community where their customers live and work.

How to find corporate partners

Look for companies based on:

- What they do
- What you do
- Where they are located



Establish a gift acceptance policy

A gift acceptance policy lays down a framework for the types of gifts an organization will and will not accept.

Next steps

Check out these other Candid classes:

- Corporate sponsorship for nonprofits: how to put a price tag on what you do
- How to use data to raise more money from corporations
- Introduction to fundraising planning

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