



Arizona Grantmakers Forum
Building The Future Now



The Arizona Business Giving Workbook

Helping your business make a difference in your community.

Dear Reader,

The U.S. Small Business Administration estimates there were nearly 450,000 small businesses in Arizona in 2006. Only 25% of these reported having employees and nearly 98% of these businesses had fewer than 500 employees.

Corporations in Arizona play a vital philanthropic role in maintaining the state's quality of life. Arizona businesses – both large and small – offer charitable support to the many projects and programs that enrich the lives of all Arizonans. In return, businesses reap enormous benefits, such as enhanced image, better customer relations, and higher employee morale.

Many business people in Arizona are interested in learning how their giving programs can be more effective. Others would like help starting a giving program. This workbook was created to meet these needs. We hope this workbook guides business owners, managers, and employees to establish their own goals for giving, and in return, receive the satisfaction of knowing that they are strengthening their communities.

This workbook was prepared and published by the Arizona Grantmakers Forum (AGF). AGF thanks the Association of Baltimore Area Grantmakers (ABAG) for permission to use the *Maryland Business Giving Workbook* as a model for this publication.

Sincerely,

Marissa Theisen

President & CEO
Arizona Grantmakers Forum

Edmund Portnoy, Ph.D.

Board Chair
Arizona Grantmakers Forum

February 2008

Table of Contents

| | | |
|------------------|--|----|
| Introduction | Business Giving | 1 |
| Chapter One | Why Do We Give? | 3 |
| Chapter Two | What is a Business Giving Program? | 5 |
| Chapter Three | How Do Businesses Decide Who Receives Their Contributions? | 8 |
| Chapter Four | What about Taxes? | 15 |
| Chapter Five | What about a Budget? | 18 |
| Chapter Six | Selecting a Giving Structure & Setting Up a System | 20 |
| Chapter Seven | How Do We Evaluate Requests? | 24 |
| Chapter Eight | How Can We Involve Employees? | 26 |
| Chapter Nine | Sponsorships/Advertising | 28 |
| Chapter Ten | What about Recognition for Charitable Contributions? | 30 |
| Chapter Eleven | Organizations That Can Support Your Giving Program | 31 |
| Chapter Twelve | Volunteering | 33 |
| Chapter Thirteen | In-Kind Contributions | 37 |
| Chapter Fourteen | Reviewing Your Contributions | 38 |
| Chapter Fifteen | Resources for Giving | 41 |
| Appendix | | 46 |

Business Giving

Arizona businesses play a vital role in maintaining the state’s quality of life. Not only do they provide jobs and economic stability, but they also offer charitable support to the many projects and programs that enrich the lives of all Arizonans.

While business owners across the state are eager to respond to community needs, relatively few have a plan guiding the distribution and use of their charitable contributions. In the same way that a business plan helps a company stay on course toward its financial goals, a charitable giving program – however informal – can help a business achieve goals for itself and the community in which it operates.

For many businesses, participating in a local United Way or other workplace giving campaign is an important first step in, and many times the best option, helping to address critical community needs. Others may want to supplement their workplace giving campaign with a more defined giving program.

A defined charitable giving program can include direct cash gifts by your company, loans of employee talent to nonprofits, creating a company-sponsored foundation, establishing a fund at a local community foundation, participating in a United Way campaign—or any combination of these and other options.

“We are fortunate that so many Arizona businesses are committed to giving back to the local community with their time, talent and financial support. Investing in the community is not only good business; it is also good for the economic and social well-being of all Arizonans.”

—Arizona Governor Janet Napolitano

A defined charitable giving program can help you:

- Make wise decisions about which community programs to support
- Increase the sense of satisfaction that everyone in the company derives from charitable giving
- Strengthen ties to customers and the community
- Help support a company's strategic initiatives

Creating a charitable giving program need not be complicated. It can be as simple as sitting down and writing out what's important to you. Or it may take the form of a more organized series of meetings that include owners, managers, and employees. In any case, a little effort up front can reduce the uncertainty that often accompanies requests for donations. It can also help assure that your contributions are used effectively, in the way you intended.

This workbook can help you set up and carry out a charitable giving program. We walk you through the steps—from deciding why to give; determining where to give; allocating what to give; and finally, assessing your giving program.

Why Do We Give?

If you run a business, you undoubtedly feel many pressures on your time and money. Why would you want to add “giving to the community” to your “To Do” list?

Business owners across Arizona tell us that corporate philanthropy – charitable giving/ employee volunteering that is directed by a business entity – is highly rewarding to everyone associated with the business. Here’s what they told us about their experiences with corporate giving:

- It’s good for business.
Support for local causes is a good way for a business to develop a positive image, reinforce relationships with customers, and develop closer relationships with community leaders and officials.

According to a national survey:

- 87% of Americans have a **more positive image** of companies that support a cause they care about.
- 65% of Americans would **switch to a brand associated with a good cause**, price and quality being equal.

- It builds company morale, cohesiveness, and stability.

Contributing to organizations that are important to employees enables Arizona business owners to promote a more positive work environment and build shared pride in the role the company plays in the community. In addition, providing opportunities for employees to contribute, such as release time for volunteering or matching employees’ gifts to charity, helps attract and retain employees.

Companies that nurture a culture of philanthropy have been found to be more profitable. Researches report that companies with a solid link between giving and operating earnings outperformed the Standard & Poor’s 500 Index by 3.5 percentage points over five years.

— The Chronicle of Philanthropy, October 29, 2007

According to a national survey:

- 87% of employees at companies with cause marketing programs feel a **stronger sense of loyalty** to their employers.
- 90% of workers whose companies support a particular cause feel **proud of their companies' values** versus 56% of those whose employers are not committed to a cause.

- **It's good for the community.**

Studies show that vibrant, healthy communities have a strong network of charitable and educational organizations. These are supported by the volunteer time and financial contributions of private citizens and businesses. Private involvement in the larger community can affect every aspect of a community's vitality, including its economy.

When the local community suffers, businesses suffer—they have difficulty attracting and retaining both employees and customers. Leaders understand that we must promote and maintain a high quality of life in Arizona to promote a healthy business environment.

- **It's a sign of leadership.**

Great business leaders are also leaders in the community. A business owner who stands up for a cause can inspire others to get involved and can create confidence and optimism.

- **It's tradition.**

Local businesses traditionally have been principal supporters of many community organizations that do good work. Without the support of the local business community, many programs that serve Arizona's neediest residents would not exist.

- **It feels good.**

Making contributions to the community is personally rewarding. Our values are important to us—from helping kids to supporting neighborhood clean-up efforts. Charitable contributions enable us to support these values.

“Among other things, doing good can engender loyalty among consumers as well as employees who believe in a company's mission, creating higher morale and higher productivity. And it can set a business apart from rivals who offer similar products without the charitable twist.”

— Raymund Flandez,
The Wall Street Journal,
November 20, 2007

What Is a Business Giving Program?

A business giving program, which means more than participation in a local workplace giving campaign, is your commitment that you will contribute to causes that are important to you, your business, and your community. It can be as structured or as informal as you like, depending on the size of your business, the level of your contributions, and the number of people participating in the decision-making.

Here are the basic steps that can be used to establish a business giving program. The complexity may vary based on your goals.

- ✓ Clarify your goals
What do you hope to accomplish with your charitable giving program? *Chapter Three*
- ✓ Identify the tax benefits
What can you deduct as a charitable contribution? How much can you deduct? *Chapter Four*
- ✓ Set a budget
How much do you want to give? *Chapter Five*
- ✓ Set up a structure and process
How will you structure your giving program? How will you accept solicitations? Who decides? How do you say no? *Chapter Six*
- ✓ Set up criteria for evaluating particular requests
When asked to give more than a small amount of money, you will want to consider certain information about the organization to which you are contributing and the way it intends to use your money. Is the contribution creating impacts/results? *Chapter Seven*
- ✓ Review your program
Set aside some time once each year or each quarter to look at your giving program. How well did it achieve your goals? How much satisfaction did you and your employees receive from your contributions? *Chapter Fourteen*

Business Giving Options

Options for Cash Contributions

- **Direct cash donation**

A direct cash grant is the most common type of contribution companies make. A company can deduct charitable grants from corporate taxes up to 10% of pre-tax net profits.

In addition, there are several techniques you can use to increase the impact of a small charitable giving budget while encouraging giving from other sources, including employees.

- **Employee matching gifts**

Matching gift programs are an easy way to support the organizations and causes that are important to your employees. When an employee makes a donation to his/her favorite charity, the company matches that donation dollar-for-dollar, up to a specified limit per calendar year. Some businesses choose to provide a match for United Way participation.

- **Dollars for Doers**

If your employees are active volunteers, one way to reward their efforts is through a *Dollars for Doers* program. This giving program makes cash grants to organizations where employees volunteer a certain amount of time. For example, the company might make a \$100 donation for every 40 hours of volunteer time.

- **Challenge grants**

Making challenge grants is a specific grantmaking strategy designed to leverage additional resources for a project or program. The company makes a grant on the condition that the recipient will raise funds from other sources, usually within a certain period of time. For example, if a company gave a large grant it might require that the recipient raise an equal amount from other sources. This option will require monitoring of grantees to ensure matching grants are obtained, and may be most appropriate for larger grants.

Business Giving Options

Options for Non-Cash Contributions

There are several ways your company can support causes and organizations in addition to cash grants. Offering non-cash giving options enables your company to better achieve its program goals and meet more community needs than can be met by cash giving alone.

- **In-kind contributions/donations**

Donations of goods or services can expand your company's charitable giving. These contributions can consist of products, supplies, property, or excess inventory. They can also include services such as printing, website development, and use of meeting rooms. In-kind gifts are tax-deductible within certain limits. Many local United Ways have a "gifts in-kind" program in which you can participate.

- **Loaned talent**

You may offer the time and expertise of employees, allowing them to help an organization on company time. Employee "loans" can be either for single events or projects, or on a regular, longer-term basis. This type of contribution provides nonprofits with expertise to which they would not ordinarily have access, and it increases your employees' leadership skills and understanding of community needs.

- **Employee engagement**

There are many ways to engage employees in workplace giving opportunities, ranging from the United Way and other campaigns, to sponsoring company teams in fundraising walks and runs, to encouraging employees to volunteer in a company-sponsored initiative. You may or may not decide to link employee volunteerism to the company's business goals; many small companies simply encourage employees to volunteer in their communities.

How Do Businesses Decide Who Receives Their Contributions?

The key to a successful giving program is knowing what kinds of activities and programs you will support—and why. One way to do this is by determining where your company’s interests and those of the community intersect. By clarifying your criteria and informing your employees and your community, you can:

- Reduce time and effort spent deciding which organizations to support
- Respond more easily to solicitations
- Limit the number of unwanted requests you receive
- Assure that your contributions are used for causes that you care about, in ways that you care about
- Make your contributions more meaningful and effective
- Enhance your company image by associating with certain causes

“Get creative. Look at your business needs and how you can help the community at the same time. Leverage the infrastructure you already have. Look at what’s important to you and your company.”

– Adam Goodman,
President, Goodman’s
Interior Structures

Businesses use a variety of criteria to decide how to distribute money (as well as time and in-kind contributions) for charitable purposes. The two most important are:

- ✓ **Your goals**
Why do you want to have a charitable contributions program? What do you want to happen as a result of the program? How much time do you want to devote to managing your program?
- ✓ **Desired use of your funds**
How do you want your money to be used: for ongoing operations, for specific projects, or for the creation of something tangible, such as equipment or a building? What are the desired results?

Many small and mid-sized companies **choose a federation, community foundation, or public foundation to be the recipient of all or part of their charitable contributions because:**

- These organizations generally do research to assess community needs and direct funds to projects that fill the service gap.
- They can provide assurance that recipient organizations are well-organized, well-run and use the contributions appropriately.
- These agencies can assume the burden of IRS and other legal reporting requirements.
- They can take over the administrative details of maintaining a charitable giving program, from accepting grant applications to writing the checks.
- Contributions to a federation will support a variety of agencies, not just one.
- Federations offer employees an easy way to contribute to the community.
- A community-wide campaign, such as those run annually by a United Way, creates enthusiasm and energy, leveraging additional funds for local charities.

"The Valley's business sector plays a vital role in keeping the state's economy healthy and vibrant and it has an important role in bettering the whole community. As a business leader, I partner with Valley of the Sun United Way supporting the annual campaign as well as serving on committees. Their expertise and community focus positions them well as a leader in addressing the Valley's most critical needs and it truly is one of the most important charities in our community."

–Phil Francis
CEO of PetSmart

TIP

Note that your goals may change over time as your business grows. None of these ideas is carved in stone. As issues, circumstances and available resources change, you may find that your priorities change, too.

Other companies may want to invest the time and energy to develop their own program and focus their giving on a particular population or specific issues. These needs may fall into broad categories, including education, health and human services, economic development, and the arts. Focusing your charitable giving on a particular area will enable your company to make a greater impact with its dollars.

For Example

Taser International, Inc. was founded by the Smith brothers in 1993, and when the company went public in 2004, its phenomenal financial success led to an inundation of requests for funding from “every cause under the sun.” Taser decided to get focused in their efforts to give back to the community, and it made sense for them to develop a giving mission to match its corporate mission. The Taser Foundation was started with a \$1M endowment raised from the company, the founders and employees to provide grants (typically in the range of \$2500) to the families of fallen law enforcement officers in the United States and Canada. **“Build your giving program around your strengths,” says the Foundation’s director, Gerry Anderson. “Make sure it’s a good mission fit. Sometimes there are very natural fits.”**

For Example

The Whiteman Foundation is the philanthropic arm of Empire Southwest, a heavy equipment and engine dealer, which commits at least 2% of its pre-tax earnings to the Foundation each year. The Foundation’s funding emphasis has evolved over the past forty years, but the focus has always been on children. The Foundation’s current focus is on early childhood brain development. **John Whiteman, President of the Foundation, explains, “Supporting healthy development during the first six years of a child’s life when the brain develops the fastest is without a doubt the most efficient, effective, and least expensive time to make a life long impact.”**

On the following pages you will find several worksheets to help you set your goals and determine generally how you want your contributions to be used. The worksheets can be filled out by the owner alone, or with employees and managers.

TIP

“People want to support businesses that support their community. So, as a business you should first pick a cause you really want to support (youth sports, family shelters, the arts are a few examples). The next step is to calculate how you can best support that cause... through fundraising activities or perhaps by dedicating a percentage of profits. It’s easy to do and there can be a lot of public relations benefits, but the bottom line is that it helps the community.”

— Tom Ambrose, President, Phoenix Suns Charities

Establishing Goals and Identifying Use of Funds

1 In setting goals, decide which of the following are the most important to you. Choose the top three goals to guide your charitable contributions. Number your top choices 1 through 3.

- A. Supporting organizations that align with our overall business goals
- B. Supporting organizations that work on issues we care about (e.g., children, families, education, a religious institution, the environment, economic development, etc.)
- C. Supporting the organizations at which employees volunteer or contribute
- D. Supporting the organizations that are important to our customers
- E. Supporting locally based organizations that rely on community contributions and volunteers
- F. Carrying on the giving traditions the business has already established

2 If you have selected A as one of your top three goals, turn to Worksheet A in the Appendix of this Workbook (pg. 47). It describes some of the values and activities that may be important to the people establishing goals.

3 If you have chosen B or C in your top three goals and you would like to find out what's important to the company's employees and customers, you may want to ask them to fill out Worksheet B in the Appendix of this Workbook (pg. 48).

Establishing Goals and Identifying Use of Funds

4

We want our contributions to:

- A. Create something that is tangible and lasting, such as building an addition to a community center or adding lights to a public ball field;
- B. Support ongoing work of local organizations;
- C. Help start a new project or organization;
- D. Be used for all three: ____% for ongoing operations;
____% for start-ups;
____% for lasting projects.

5

We would like to:

- A. Consolidate our contributions by giving larger amounts to one or two organizations (affords larger impact over time and strengthens company's brand association); or
- B. Contribute smaller donations to a broader range of projects and programs (gets our name out more broadly but reduces our impact on any specific issue; this may also increase the number of grant applications we receive).

When you have answered the previous questions and, if applicable, Worksheets A and B from the Appendix, you are ready to complete this policy worksheet. A written policy forms the basis for all company decisions about charitable contributions.

_____ believes in contributing to the community in which we do business.

The primary goals of our giving program are (from Question 1 on previous worksheet):

- 1 _____
- 2 _____
- 3 _____

The issues we care about most are (from Worksheets A and B in the appendix):

- 1 _____
- 2 _____
- 3 _____

Our contributions should be used to (from Question 4 on previous worksheet):

- A** Create something that is tangible and lasting, such as building an addition to a community center or adding lights to a public ball field;
- B** Support ongoing work of local organizations;
- C** Help start a new project or organization;
- D** Be used for all three: ____% for ongoing operations, ____% for start-ups, and ____% for lasting projects.

Charitable
Contributions
Policy for the

(name)
Company

We want to:

- A Focus our contributions on a few agencies; or
- B Distribute our contributions more broadly throughout the community.

After you have completed this worksheet you may want to write up your answers in a formal policy statement for distribution to employees and customers. The Appendix to this workbook contains a sample policy statement from an Arizona company (pg. 50).

What About Taxes?

For most businesses, the question of what is tax deductible and the limits on deductions are fairly straightforward. However, you should always check with a tax specialist if you have any questions about your contributions.

The following chapter is a simplified summary of tax information. It does not cover all types of charitable giving. The Arizona Grantmakers Forum can advise you in general terms about the tax benefits of setting up a business or family foundation and can provide information on all aspects and choices for charitable giving. See the Resource section of the Appendix for more information.

Deduction limits for businesses

Before you establish a charitable giving budget, you will want to know how much of your contributions you can deduct for tax purposes. The following guidelines illustrate the tax benefits you can receive from your charitable giving program. If a business other than a C Corporation has more than one owner, deductions are distributed among business owners.

| Business structure | Who receives deduction | Allowable deduction |
|---------------------|------------------------|---|
| C Corporation | Corporation | Up to 10% of taxable business income in the year of the donations. Contributions over 10% can be carried over for five years. |
| S Corporation | Individual owner(s) | Up to 50% of individual's adjusted gross income in the year of the donations.* There is generally a five-year carryover. |
| Partnership | Individual owners | Up to 50% of individual's adjusted income in the year of the donations.* There is generally a five-year carryover. |
| Sole proprietorship | Individual owner | Up to 50% of individual's adjusted income in the year of the donations.* There is generally a five-year carryover. |

*This information is based on cash contributions to 501(c)(3) corporations. Contributions of other types of property or to foundations and some organizations with different IRS tax designations offer different tax benefits.

Make sure that any organization to which you contribute has been approved as a tax-exempt organization by the IRS. In most cases, this will be a 501(c)(3) organization. If the organization does not have an appropriate IRS designation, you will not be able to deduct your contribution.

What is a charitable contribution?

Not all contributions are created equal in the eyes of the Internal Revenue Service. It is helpful to know what contributions are eligible for full or partial tax deduction. The IRS treats business expenses differently from charitable contributions, so it's important to be precise about claiming deductions.

This chart summarizes IRS regulations. If you have any questions, be sure to consult a professional tax advisor.

| Type of Contribution | Charitable Deductions | Business Expenses |
|--|--|--|
| Direct cash donation to charity | Yes. However, if you receive any benefit in return, you must subtract the value of that benefit from the amount of your deduction. | No. |
| Cash given to charities designated by employees (such as matching gifts) | Yes. | No. |
| Sponsorship | Yes, if not directly related to business. Indirect benefit may be permissible. | Yes, if directly related to business. |
| Purchase of ad in nonprofit publication | Yes, if ad is acknowledgment of sponsorship rather than commercial. | Yes, if you expect to earn at least the cost of the ad as a result of the publication. |
| Gifts of products | Yes, for the value of your costs – not market value.* | No. Be sure not to deduct your costs as both a business expense and a charitable contribution. |
| Depreciable property | Yes. Generally fair market value less prior depreciation. | No. |
| Stocks | Yes, of both C and S corporations. Deductions generally can be made for fair market value if held by the donor for more than one year. | No. |

*However, inventory donations by C corporations to benefit the ill, the needy or infants, and gifts of scientific equipment used for research may be eligible for higher value deductions.

Example:

You purchase a ticket to a fundraising dinner for the local theater group. The ticket costs \$25. The value of the dinner is \$12.

- You can deduct the cost of the ticket less the value of the dinner as a charitable contribution, so your total deduction is \$13.

Example:

As the owner of a clothing store, you donate a dress to an auction to benefit a nonprofit organization. The dress was \$25, and you would sell it for \$50.

- You can claim the wholesale cost of the dress – \$25 – as a charitable contribution.
- You cannot deduct the retail price that the dress would sell for in your store.
- You cannot deduct the wholesale cost as a business expense.

Example:

You own a restaurant and you offer to cater a reception at a local charity.

- You can deduct the wholesale cost of the food you purchase as a charitable contribution.

What About a Budget?

There is no standard answer to the question, “How much should our company give?” This is subjective and depends entirely on your business, your personal goals, and your giving comfort level.

According to 2005 IRS tax data, Arizonans contributed an average of 2.5% of their adjusted gross income to charitable causes, ranking the state 19th in the nation. In contrast, some businesses with giving programs set aside up to 5-10% of their pre-tax income for contributions.

Most companies use one of two approaches to determine their giving level:

- ✓ **Percentage of pre-tax net income**
The giving budget is based on a pre-established formula, calculated as a percentage of pre-tax net profits. In small companies the average is around 1%; however, this sometimes ranges as high as 10% or more.
- ✓ **Past experience adjusted for profitability**
The corporate financial plan includes an annual giving budget. In formulating the budget each year, companies take into account issues such as:
 - Current revenue and profit projections
 - Availability of other resources
 - Internal competition for resources
 - Spending patterns of other companies in the area

While we cannot tell you how much to contribute, we can advise you why creating a budget is a good idea.

- ✓ **Establishing a budget gives you a framework in which to make decisions.**
If you are approaching the end of the year and have not reached your budget, you may want to consider new requests. If you have spent all that you budgeted, you will find it easier to say “no” to new requests.

- ✓ Establishing a budget gives you an easy way to keep track of your contributions throughout the year.
This can help you evaluate how to spend charitable dollars, as well as how well you stayed within budget.

Here are some questions to consider when establishing a budget: See *Appendix for sample budget categories (pg. 55)*.

- ✓ How much of our contributions is tax deductible? *See previous chapter.*
- ✓ How much money did our company contribute last year, and in previous years?
- ✓ Can we afford to give more?
- ✓ Would we like to give more?
- ✓ What is our target charitable budget?
- ✓ How much of our total giving budget do we want to give directly?
- ✓ How much do we want to give in matching employee gifts?
- ✓ Will the entire budget be centralized or will there be any funds managed within other departments or business lines?
- ✓ What are our peer companies doing in terms of charitable giving? Our competitors?

Selecting a Giving Structure & Setting Up a System

1 Decide on a Giving Structure

Most companies make their cash grants in one or more of the following ways:

- ✓ **Direct-giving program.** This is a program operated and controlled by the company. It is funded directly by the company and is reported to the IRS as a tax-deductible charitable expense.
- ✓ **Company-sponsored foundation.** This is a legal entity separate from the company. It is funded primarily by the company, in keeping with the IRS regulations, but has its own bylaws and governance structure. [For more information on starting a corporate foundation see pg. 64 in the Appendix.](#)
- ✓ **Donor-advised fund.** Under this option, the company sets up a fund within a community foundation or other public charity. The company may recommend eligible charitable recipients for grants from the fund. [For more information about donor-advised funds see pg. 65 in the Appendix.](#)

If you are interested in funding a particular area, you may want to set up or pool your resources with a 501(c)(3) [public charity](#) in support of that cause. Many businesses choose this route because the public charity has industry expertise in a particular area (e.g., hospitals, dental associations, educational businesses). If you are interested in administering your giving through your own legally independent 501(c)(3) corporation, you will be required to raise a certain percentage of the funds you grant out from the general public. While this can involve more work, it allows companies to leverage their good reputation and more publicly recognized name to generate significantly more support for the causes they're passionate about.

2

Set Up a Giving Program System

Many businesses find it helpful to establish a system for considering charitable contributions. An effective giving program has specific written internal guidelines for documentation, decision-making, and response. This reduces time, effort, and costs, and eliminates confusion, both inside and outside of the company.

The kind of system you set up depends in part on the size of the company and the anticipated giving budget. Some companies create an advisory committee that makes funding recommendations. The participation of others spreads the ownership of the giving program among staff and encourages internal communication and commitment.

For Example

Establishing a 501(c)(3) public charity vehicle for corporate giving is a model that works particularly well with high-profile businesses, such as sports teams, because they are in a good position to leverage significant community support for charitable causes. Twenty years ago, the management of the **Phoenix Suns** professional basketball team created Suns Charities, a 501(c)(3) organization, to raise funds from the community to give to non-profits that support children and families throughout Arizona. Each year, through team events and activities, the charity raises approximately \$1 million, and last year they doled out more than \$800,000 in grants to over 100 different agencies. **“People are looking for fun ways to contribute to good causes and support their community,” Tom Ambrose, President of Suns Charities, explains. “Sports teams offer an exciting platform for fund-raising and many people enjoy the association. Donors will contribute generously if they trust in the leadership of the team foundations and the good stewardship of their contributions.”**

The following worksheet lists some different approaches that businesses take when they decide to establish a business giving program.

Setting up a Decision-Making Process

1

We would like to:

- A Identify certain organizations that will receive annual contributions.
- B Respond to requests from the community.
- C Make _____% of overall contributions to an annual contributions list and make _____% of the contributions in response to community requests.

2

Who will make decisions about contributions?

- The owner(s) The manager(s)
- A committee that includes: (Check all that apply)
 - Owner(s)
 - One or more managers
 - One or more employees
 - Someone responsible for marketing, advertising, or public relations
 - Anyone can agree to a contribution of less than \$_____

3

How often will you make decisions about contributions?

- Once a year Twice a year
- Quarterly As needed, depending on frequency and number of requests

Answer the following questions if you will be considering requests from the community.

- 4** Who will you accept requests from?
- Employees Customers
- Anyone in the community
- 5** Who will be responsible for collecting requests and ushering them through the consideration process? (It is important to have one person who is assigned to manage this process!)
- All requests should be directed to the owner.
- All requests should be directed to a specific manager.
- All requests should be directed to the chair of the contributions committee.
- 6** Do you want to produce written criteria describing the kind of projects and programs your company supports? [See Chapter Three](#). This will help define the requirements for company support and communicate the program goals and objectives. They will also help ensure that your company will receive only appropriate requests (highly recommended step).
- Yes No
- 7** How will you accept requests?
- In writing In person
- Via the web All of the above
- 8** Are there any types of nonprofit organizations or requests you will *not* fund? (ie., religious organizations, endowments, etc.)
-
-

How Do We Evaluate Requests?

Evaluating requests for support is similar to evaluating other business opportunities. The process requires common sense and answers to a few basic questions.

- ✓ Make sure the organization is eligible for the purposes of tax deductions.
If you plan to claim a charitable giving deduction for your contribution, the receiving organization must be tax exempt according to the Internal Revenue Service. Ask to see a letter of determination from the IRS showing that the organization is a 501(c)(3) tax-exempt organization.
- ✓ Ask how the money will be used.
Ask for specifics, such as, how many people will benefit from a \$500 contribution?
- ✓ Determine whether the organization can effectively accomplish its goals.
Look for:
 - An active board of directors with a variety of skills
 - Broad community support in the form of volunteers and contributors
 - An easy-to-understand annual budget and financial statements that show a realistic and reasonable projection of revenue and expenses
 - Reasonable administrative and fundraising costs—generally less than 25% of the total budget
 - A track record of past success and a good reputation
- ✓ Find out how the organization knows that its work is important or needed.
For example, ask about the number of people in the community who benefit from the services the organization provides.

- ✓ Ask the question, “How will you know if you are successful?”
Ideally, board and staff will measure success to show positive changes in the community. Ask what tools they use to measure success.
- ✓ How does this organization fit within your other goals?
Is an employee or a customer a supporter or beneficiary of this agency?
How does it acknowledge its donors? How visible is it in the community?

Some ways to learn more about organizations include:

- ✓ Prepare a simple questionnaire for applicants.
- ✓ Keep a clipping file of newspaper articles about organizations that work in your areas of interest.
- ✓ Ask questions of the executive director or board members.
- ✓ Ask people who know. See the resource section of the Appendix for a list of local organizations that work with nonprofits.
- ✓ Make sure you are on the mailing list of any organization to which you contribute. Keep its newsletters and other mailings so you can refer to them when it is time to contribute again.

How Can We Involve Employees?

Many business owners find that one of the greatest benefits to their business giving programs is the satisfaction and enthusiasm generated among employees. The following are some ways that Arizona businesses support their employees' interest in the community.

- ✓ **Give priority to employee requests**
Many businesses prefer to contribute to organizations that employees are affiliated, particularly as volunteers.
- ✓ **Offer matching contributions**
Some businesses match employee contributions to specific organizations. For example: budget up to \$1,000 for a matching pool for employee donations, and match any employee donation between \$25 and \$50 until you deplete the pool. Or, you may match \$1 for every \$2 of employee contributions.
- ✓ **Invite employees to join a company-wide volunteer effort**
Some companies organize volunteer activities for their employees, such as participating in a community clean up day or tutoring in schools. This can be a good way for the company to engage employees in their favorite projects.

For Example

The US Airways Do Crew is the cornerstone of the airline's Community Relations program. In December 2007, an employee volunteer corps logged countless hours with nonprofit organizations located in hub and focus-cities. Benefactors included local Salvation Army chapters in Boston, Charlotte, Las Vegas, Phoenix, Pittsburgh and Winston-Salem. In addition, employees in Washington, D.C. laid wreaths at Arlington National Cemetery with Wreaths Across America. Employees also served the homeless at St. Vincent de Paul in Phoenix and Light of Life in Pittsburgh. "We are fortunate to be able to give back to our local communities," said Julie Coleman, Director of Community Relations. "US Airways is proud of our commitment to improving the lives of individuals in the communities we serve."

- ✓ Offer in-kind contributions that show off their work
Why not give employees a chance to use their skills and talents, and make a real difference in the community at the same time?

For Example

Delta Dental of Arizona has the largest network of dentists in the state, and therefore possesses a tremendous amount of expertise in the field of oral health. **“We know what works, what is research-based dental practice,” explains Foundation Vice President, Sandi Perez.** For this reason, Delta Dental of Arizona started up a 501(c)(3) foundation to leverage its in-house industry expertise and create more public support for oral health among the state’s most vulnerable populations. For example, the Foundation supports strategies based on evidence-based dentistry practices such as fluoride varnish treatments, sealant programs and screenings. **“We are in a strong position to leverage our money, influence and leadership to really have an impact and improve oral health in Arizona,” Perez says.**

- ✓ Invite employees to help with the decision-making
Consider inviting employees to discuss the pros and cons of specific contribution requests. Ask employees about their knowledge of specific agencies, or invite them to help with research or sit on a committee that makes decisions about contributions.

For Example

McMurry Inc. is the largest marketing communications company in the Southwest and the nation’s largest custom publisher with offices in Phoenix and New York. The fast growing firm has two charitable arms: Theresa’s Fund, a 501(c)(3) public charity funded by McMurry profits and friends, and McMurry Charities. Nearly 100 percent of the company’s 173 employees contribute to both charities. Together the two charities will contribute more than a million dollars during the next five years. Both charities are operated by staff volunteers, who are deeply engaged in reviewing grant applications, making site visits and recommending or selecting which requests to fund. **“One of our eight core values is ‘Accept Social Responsibility,’” explains founder Preston McMurry. “We take these values so seriously our staff is required to commit them to memory and to use these values as a guide to decision making and interactions with others.”**

Sponsorships/Advertising

Businesses are often asked to support community events by contributing money in exchange for public recognition of some kind.

These requests are usually for:

- Ads in programs and other publications
- Sponsorship for events
- Sponsorship for athletic teams

Whether or not you have set a goal of improving your image in the community as a reason to set up a business giving program, you may want to consider the following questions.

- ✓ **Is the cause something you agree with?**
How does it fit with your company's goals and values?
- ✓ **Does this event make sense as something your business would want to sponsor?**
For example, is it something of interest to your existing customers? Could it help you to reach out to new customers?
- ✓ **What benefits are you getting for your financial contribution?**
When agreeing to become a sponsor, ask for a list of acknowledgements you will receive. These may include your company name on all advertising, introduction at the event or free tickets for your employees.
- ✓ **Will the event be well managed?**
One business owner wanted to make sure that the event she contributed to was professionally orchestrated, so she asked to be placed on the steering committee. That way, she knew her contribution would be used well and the company name would be associated with a quality event. Another strategy would be to contact a previous sponsor of an event to get their feedback on the management of the event.

Special Note

The IRS is particular about “charitable contributions” and “business expenses” because business expenses are deducted from overall gross income, whereas charitable contributions are deducted from adjusted gross income.

A contribution may be considered a business expense when any of the following criteria have been met:

- The payment bears a direct relationship to the taxpayer’s business.
- The payment is made with a reasonable expectation of financial return commensurate with the amount of payment.
- Something of value has been offered in return for the payment (i.e.: tickets, food, media placement).

TIP Make the most out of your contribution. For example, if you buy tickets to a benefit, invite some of your customers, or invite other people who you would like to see get involved in this particular cause. Or give some tickets back to the organization so some of its clients may attend.

For Example **Wespac Construction** makes direct grants and sponsorships to many Arizona nonprofits, but they also sponsor their own event. **The McDowell Mountain Music Festival**, now entering its fifth year, is one of the premier nonprofit music events in the state of Arizona. Coordinated entirely through the volunteer efforts of a single company (Wespac Construction) the event is held at WestWorld in Scottsdale and features two days of live music, 13 bands, camping, RV parking, a silent auction, marketplace, VIP area and Kid’s Zone. All of the profits from tickets sales are donated to two local children’s charities. Designed to get the community involved in coming together with music and art, the Festival utilizes employees from Wespac Construction, subcontractors, suppliers, and roughly 350 volunteers from the greater Phoenix area. The nonprofit project, envisioned by Wespac’s President and others, began as a venture to provide more than just a monetary donation; they wanted to provide a community-based experience and truly get involved. The end result was a corporate giving strategy that has been branded as a stand-alone event that draws crowds of 8,000-plus attendants year after year.

What About Recognition for Charitable Contributions?

The extent of recognition you look for depends on your goals for contributing. If, in addition to serving your community, you want to use your contributions as a way of building business image, you will want to think about the ways you would like to be acknowledged.

While most people and businesses are happy to be publicly acknowledged for their contributions, some businesses prefer to contribute anonymously. They believe their gifts are most effective that way, and they believe that lack of publicity limits the number of requests for funds.

A business can let the community know of its commitment to local organizations in various ways:

- ✓ Announce your contributions in publications distributed to employees and customers.
- ✓ Distribute press releases, particularly if your business provides a major grant, or if you are announcing a number of grants at the same time. *A sample press release is included in the appendix (pg.62).*
- ✓ Create a joint press release with the organization receiving the grant.
- ✓ Take an active role in an organization to which you contribute. The owner or manager may want to assume a place on the board of directors. Encourage employees to volunteer as well.

Well-run organizations acknowledge their contributors by publishing their names in newsletters or in press releases. One of your evaluation criteria may be how promptly the organization thanks its contributors and what steps it takes to acknowledge contributions.

Organizations That Can Support Your Giving Program

There are many organizations that can support your giving program – from helping you start your program to administering your grants. *See the Resources section for more information.*

The Arizona Grantmakers Forum (AGF) encourages the growth and development of corporate giving programs by providing direct services to area companies. These services include advising companies on the principles of contributions management, linking companies to others that share their interest, suggesting resources that can provide technical assistance and program evaluation, and developing the business network essential to effective contribution management.

Charitable Federations

Other organizations that can support your giving program include [charitable federations](#). A federated fund is a cooperative enterprise, owned and controlled by the nonprofit members, whose purpose is raising program and operating capital for each member agency. It serves as a contribution vehicle for donors to direct charitable dollars to the groups and issues about which they care. A donor gift to the federation is usually distributed to all the member organizations, or donors can target gifts to specific groups in the federation.

The most familiar federated fund is probably the **United Way**. But there are many others. Many are state-wide or community-wide. Most are distinguished by the ability to partner with employers and execute workplace giving programs that usually feature payroll deduction. Federated funds are favorites of businesses since they provide a safe and convenient way for their employees to contribute to charities. The downside of federated funds is that often new, small, or unique/non-traditional nonprofits are not included.

Public Foundations

Legally classified as "public charities," [public foundations](#) are publicly supported nonprofit organizations and are predominantly funded by contributions from individuals, corporations, governmental units and private foundations. In contrast to private foundations, a public foundation must continue to seek money from diverse sources in order to retain its public status.

As distinguished from most public charities, public foundations focus more on grantmaking than on providing direct charitable services. [Community Foundations](#) are a specific type of public foundation. Arizona's two community foundations serve a specific geographic area, and specialize in helping individuals, families and businesses plan and carry out their charitable giving, and in building endowments to serve their region's changing needs.

[Other public foundations](#) like the Jewish Community Foundation of Greater Phoenix or St. Luke's Health Initiatives focus on the needs and interests of a particular issue, demographic segment or targeted populations of donors and recipients, such as specific religious or ethnic populations.

Donors to public foundations may contribute to established funds or may start their own donor-advised funds without incurring the costs of starting and administering a private foundation. Community foundations and other public foundations accept gifts of many sizes from a variety of contributors who share the desire to enhance the quality of life in each foundation's geographic area or specific religious population focus.

See Chapter 15 for more specific information about local community and public foundations.

"Our first thought was the Arizona Community Foundation when we established the Season for Sharing fund locally. As a fund that solicits donations from the public, it made perfect sense to partner with an organization with that type of expertise, infrastructure and longevity in the community. We rely on ACF to keep on top of the complex and ever-changing rules for charitable giving and can always count on their staff for advice and counsel. This allows us to focus on making the biggest impact with our grants and without getting sidetracked in areas in which we don't have expertise."

—Gene D'Adamo
Vice President, Community Relations
The Arizona Republic

Volunteering

Promoting volunteerism is a great way to augment your company's business giving program.

According to a survey of U.S. companies conducted by The Points of Light Foundation and The Conference Board, executives agreed that company volunteer programs advance business goals.

- 74% agreed that volunteerism increases employee productivity.
- 93% agreed that volunteerism builds employee teamwork skills.
- 94% agreed that volunteerism improves a company's public image.

Company Volunteering:

- Offers personal satisfaction by making personal contact with people, accomplishing a visible task;
- Supplements the benefits of your financial donations;
- Makes financial contributions more satisfying when given to organizations one knows well through volunteering;
- Takes into account that people have different interests, skills and time availability. Regardless of an individual's capacity, there will always be a volunteer opportunity for that person. A local volunteer center can help you find just the right volunteer activity. *See the resources in Chapter 15.*

"When business professionals and nonprofits join together to improve our community, great synergy is created. Employees who bring their professional skills as volunteers to a nonprofit become powerful, positive ambassadors of their companies while truly impacting the effectiveness of the nonprofit. Investing and working together to build mutually-valuable relationships will lead to more high-impact philanthropic leaders for our community's future."

–Terri Wogan, Executive Director,
Social Venture Partners Arizona

Here are some ways that individuals and businesses can offer volunteer support to community organizations:

- ✓ Lend your technical expertise to the organization
Legal, management, bookkeeping, or technological support is always needed. Many small nonprofit organizations are long on goals and short on sophisticated administrative skills. Consider “loaning” employees with particular abilities to an organization in need.

For Example

Park&Co is a growing advertising/PR firm with 20 employees. While they have no formal giving program, the nature of their business lends itself well to pro bono work because it is so difficult for nonprofits to find affordable advertising, design, and marketing services. The creative team at Park&Co has as many as 3-4 pro bono projects going on at any one time, some involving as much as 200 hours, or the equivalent of \$25,000 in free services. When the company is approached by nonprofits that are looking for services, all Park&Co employees get involved in deciding which projects to take on. **“If you are going to be donating 200-plus hours on a project,” explains Creative Director Ed Tankersley, “it’s important that everyone on the team believe in the cause you’re supporting.”**

- ✓ Consider “release time”—encouraging employees to do volunteer work by offering paid time off for a volunteer project
Balancing work, family, and community commitments is a challenge for many employees. Even a small amount of release time from work to volunteer can make a big difference to employees and to the community.



The way your company compensates your employees has an impact on how willing they may be to get involved in volunteering. According to a new study by researchers at the Rotman School of Management at the University of Toronto and the Stanford Graduate School of Business, workers paid by the hour are less likely to volunteer than are salaried workers because the way they are paid conditions them to think about their time in terms of money. The study found that workers in the U.S. who are paid by the hour volunteered 36 percent less time than workers on salary (www.rotman.utoronto.ca).

- ✓ Place a higher priority on contributing financially to organizations at which your employees volunteer

Company volunteers often know the inside scoop about a nonprofit organization. The fact that someone is willing to contribute his or her valuable time may help you feel confident that this is a worthy organization to support.

For Example

At **UniSource Energy Corp.**, (Tucson Electric Power, UniSource Gas, UniSource Electric, Southwest Energy Solutions), employees are integral to the utility company's grantmaking and volunteer activities. Via the UNS website, nonprofit agencies submit requests for volunteers and indicate if they also need funds for the project. All activities must have a UNS employee "champion." The employee volunteers who comprise UNS's Community Action Team Steering Committees review project requests from their region, and contact the employee champion to discuss it before it is funded. **"The downside to having such an involved structure is that you end up supporting more organizations at smaller funding levels," says Sharon Foltz, Director of Community Relations. "The pros are that our employees are the most valuable asset we have, and when they are empowered to leverage resources for the causes closest to them, the company can have bigger impact for community well-being and we all win."**

- ✓ Support a team effort

Supply pizza after a day spent picking up litter along the highway, or pay for the tools when your employees spend their Saturday helping weatherize the homes of local senior citizens.

- ✓ Identify a cause in the community and do something about it
- Organize a clean-up party in the community park. Adopt a homeless shelter and commit to preparing and serving meals there once a week. Start a mentoring program for high school students who may be interested in a career in your type of business. **"Your volunteer program will be stronger if you can communicate to employees beyond the fact that they should volunteer a certain number of hours each week. Instead, focus on identifying a genuine need in the community, and let employees know what type of difference they can make," advises Bob Shogren, Director of the Governor's Commission on Service and Volunteerism.**

✓ Set up acknowledgment programs to encourage volunteerism
Mention volunteer activities in company newsletters, or post photos and names of volunteers in a prominent place. Host a “thank-you” luncheon for volunteers. You can also nominate your company and/or your volunteers for the annual **Governor’s Volunteer Service Awards**, considered to be the highest volunteer award in the state of Arizona. Nomination forms can be found at <http://gocyf.az.gov>.

✓ Partner with a volunteer agency
Volunteer centers offer businesses cost-effective opportunities to engage their employees in hands-on volunteer activities. They act as a liaison between nonprofits and business volunteers, managing the entire volunteer experience and even providing project ideas and choices to businesses so they don’t have to do the legwork.

For Example More than 500 corporate and community volunteers gathered for “A Day for Downtown,” a collaborative volunteer project organized by **Make A Difference** in partnership with Downtown Phoenix Partnership and Phoenix Community Alliance. Volunteers from more than 20 businesses of all sizes worked on projects to revitalize downtown neighborhoods. **“We were able mobilize volunteers and leverage the supplies necessary to improve learning and gathering spaces for area schools and nonprofit agencies,” says Rhonda Oliver, President & CEO of Make A Difference.**

✓ Collaborate with other business volunteers
Local networking groups, such as The **Central Arizona Corporate Volunteer Council (CACVC)**, offer businesses a way to share effective practices and come up with collaborative ideas to address community needs through workplace volunteering (see [Resources on pg. 41](#)).

In-Kind Contributions

Many companies are generous donors of in-kind contributions. Businesses report that:

- In-kind contributions are greatly appreciated and are a visible way to support community activities.
- In-kind contributions often have less impact on the company's bottom line than do cash contributions.

Some common ways to provide in-kind contributions are:

- ✓ Provide a product or service that is the basis of your business. For example, if you own a restaurant, cater food for a special event. If you own a printing company, print a benefit concert program for free.
- ✓ If you are in the building or manufacturing industries, provide labor and materials to create something permanent in the community.
- ✓ Contribute used equipment. Many nonprofit organizations would be glad to have a used copier, fax machine, or computer.
- ✓ Donate something that you buy in bulk, like pens and paper.

For Example

Goodman's Interior Structures has come up with a creative way to use in-kind donations as a way to solve a business problem. Faced with a mounting surplus of furniture leftover from retro-fits and damaged shipments, they decided to leverage their already existing infrastructure and create a website for nonprofits to select and reserve items of furniture they want, then pick them up from the warehouse. **"We've been doing this on an ad-hoc basis, and have probably given away three-quarters of a million dollars in in-kind furniture over the past six weeks alone. This new program is really going to streamline the process, and we already have the infrastructure in place to do it," Adam Goodman explains. "It's an example of how we can solve a business need by looking at the community's needs and leveraging the systems we already have in place."**

Reviewing Your Contributions

It is a good idea to set aside time periodically to review the giving budget of the company and the contributions made during the year. This might be a good time to get out your newspaper clipping file and any newsletters, mailings or thank you notes you have received from local organizations, as well as a record of all your contributions for the year.

The following worksheet can help you assess your giving program. Again, the individual or group of people within a company who are responsible for making decisions about charitable contributions can complete this sheet.

“Charitable programs should inspire, motivate, educate and assist community partners in creating positive change that has a lasting community impact. It is important to be an outcomes-based investor - to achieve real, measurable improvements in our community. With this approach, we can yield sustainable improvement in the communities in which we live and work.”

— Mary Baldwin, Manager, Global Corporate Citizenship
The Boeing Company



Many foundations and larger grantmakers prefer to fund one-time projects, such as the start-up of a pilot program or equipment purchase, so nonprofit organizations greatly appreciate ongoing support. However, because this money often applies to administration, it is more difficult to evaluate the benefits of that contribution. If you are considering establishing a long-term relationship with a nonprofit organization, you may want to talk to the executive director and the board about ways that you can monitor the use of your grant.

Are you comfortable with the amount of money you are giving?
Does it fit your budget?

Yes No

Is your giving consistent with that of comparable companies?

Yes No

If you gave a little more, would it make a significantly greater impact on your favorite charity?

Yes No

Would it increase your visibility in the community?

Yes No

After you made the contribution, did you feel that you had absolutely “done the right thing?”

Yes No

How well do you feel your giving program has met the goals you set?

Are you able to track how your company’s money is spent after you make a contribution?

Yes No

Can you see results from your contribution?

Yes No

How have the company’s employees responded?

Enthusiastically No response
 Disagree with choices Other: _____

Assessing
Your
Charitable Giving
Program

How have customers or the general community responded?

- Enthusiastically
- No response
- Disagree with choices
- Other: _____

Has the organization to which you contributed kept in touch with you effectively?

- Yes
- No

Do you need more information about their operation?

- Yes
- No

Did you receive adequate acknowledgment?

- Yes
- No

Do you want to become more involved with this organization(s)?

- Yes
- No

Are there any contributions you know you will not repeat?

- Yes
- No

Which ones? _____

Why? _____

Can you identify any new issue areas or projects to which you know you would like to contribute?

What contributions will you repeat?

Are there any nonprofits that you plan to support again where employee involvement would further leverage your contribution?

Resources for Giving

For some people, one of the most difficult aspects of charitable giving is determining where to give their money. There are many worthwhile organizations in the community doing important work.

A common way that people choose a charity is through their personal volunteer work with an organization, or through the recommendations of friends. There are a growing number of resources available which can help you find charities that provide programs reflecting values similar to your company's.

Local Publications and Resources

- **The Alliance of Arizona Nonprofits**, www.arizonanonprofits.org
Formed in 2004 to advance the common interests of more than 20,000 nonprofits in the state, the Arizona Alliance of Nonprofits is working to increase the effectiveness of nonprofit organizations, and taking the lead in increasing public understanding of and trust in nonprofit organizations.
Contact: PO Box 16162 - Phoenix, AZ 85011-6162, Phone: 602.279.2966.
- **Lodestar Center for Philanthropy and Nonprofit Innovation**, www.asu.edu/copp/nonprofit
Arizona State University's Lodestar Center for Philanthropy and Nonprofit Innovation exists to advance nonprofit leadership practice so that organizations can better achieve their mission. **Contact:** University Center, Mail Code 4120, 411 N. Central Ave, Suite 500, Phoenix, AZ 85004-0691, Phone: 602.496.0500
- **Arizona Grantmakers Forum** www.arizonagrantmakersforum.org
AGF houses a wealth of information to help local funders determine where and how to give, such as *The Scale & Scope of the Nonprofit Sector*; *Foundation Giving Trends*, *Arizona's Common Grant Application*, the *Arizona Capital Campaign Database*, and more. Many resources are free. Additional studies, tools and publications are accessible to members via the members-only website portal. **Contact:** 1505 E. Missouri Ave, Suite 200, Phoenix, AZ 85014, Phone: 602.977.2756

National Resources

- [Better Business Bureau's Wise Giving Alliance, www.bbb.org](http://www.bbb.org)
The Giving Alliance offers information about nationally soliciting charities and publications to help donors make giving decisions. This program is a merger of the former Philanthropic Advisory Service of the Better Business Bureau and the National Charities Information Bureau.
- [Charity Navigator, www.charitynavigator.org](http://www.charitynavigator.org)
America's premier independent charity evaluator works to advance a more efficient and responsive philanthropic marketplace by evaluating the financial health of America's largest charities.
- [GuideStar, www.guidestar.org](http://www.guidestar.org)
GuideStar offers a comprehensive, searchable database of more than 1.5 million nonprofit organizations, with information about organizations' mission, goals, results, budget, staffing, and needs. This service is free.
- [Council on Foundations, www.cof.org](http://www.cof.org)
The Council on Foundations has a Corporate Grantmaking services department with products and services including: assisting members with information requests; identifying and analyzing trends and emerging issues; organizing meetings and teleconferences; and producing newsletters and publications.
- [Volunteer Match, www.volunteermatch.org](http://www.volunteermatch.org)
VolunteerMatch offers a variety of online services to support nonprofit, volunteer and business leaders committed to civic engagement. This popular online service is used by millions of visitors a year and has become the preferred internet volunteer recruiting tool for more than 50,000 nonprofit organizations.
- [Boston College Center for Corporate Citizenship, http://www.bccccc.net](http://www.bccccc.net)
Boston College Center for Corporate Citizenship (BCCCC) is a membership-based research organization that works with global corporations to help them define, plan and operationalize their corporate citizenship.
- [Association of Corporate Contributions Professionals, http://www.accprof.org](http://www.accprof.org)
The Association of Corporate Contributions Professionals (ACCP) is a nonprofit advocacy and continuing education organization that helps corporations identify and adopt best practices and provides training for contributions professionals in the contributions, community relations, and volunteerism fields.

Contact Volunteer Centers in Arizona

Volunteer centers can help you create employee volunteer programs and identify nonprofit organizations in need of in-kind assistance. Some volunteer centers sponsor annual “days of service” where companies can send teams of volunteers to work on projects.

- [Make A Difference, www.makeadifference.org](http://www.makeadifference.org)
This organization mobilizes volunteers, develops and manages innovative programs and cultivates service leaders to create strong and vibrant communities. **Contact:** 5151 N. 19th Avenue, Suite 200, Phoenix, AZ 85015, Phone: 602.973.2212.
- [The Governor's Commission on Service and Volunteerism, http://gocyf.az.gov/CYD](http://gocyf.az.gov/CYD)
The Governor's Commission on Service and Volunteerism makes policy recommendations to the Governor for community service and volunteer-related issues. The Commission funds and oversees the administration of Arizona AmeriCorps and service-learning programs, and supports volunteer program development, community service initiatives and policy issues affecting volunteers. Twenty-six members serve by appointment by the Governor. **Contact:** 1700 W. Washington Street, Suite 101, Phoenix, AZ 85007, Phone: 602.364.2248.
- [Central Arizona Corporate Volunteer Council \(CACVC\), www.makeadifference.org/AboutUs/index.php/CVC.html](http://www.makeadifference.org/AboutUs/index.php/CVC.html)
The CACVC works in partnership with Make A Difference and the Governor's Commission for Service and Volunteerism, and is a local network that Valley businesses join to share effective practices and address community needs through workplace volunteering. **Contact:** Phone: 480.883.6190.
- [Volunteer Center of Southern Arizona, http://volunteersoaz.org](http://volunteersoaz.org)
This organization serves as a clearinghouse for volunteers and delivers creative solutions to community problems by harnessing the power of volunteerism in a number of ways. **Contact:** 924 North Alvernon Way, Tucson, AZ 85711, Phone: 520.881.3300.
- [Nonprofit Resource Center of Northern Arizona, www.nonprofitnaz.org](http://www.nonprofitnaz.org)
This organization provides a variety of service to support nonprofit agencies in Northern Arizona, including serving as a clearinghouse for volunteer projects and needs. **Contact:** East Flagstaff Community Library, 3000 North Fourth Street, Suite 5, Flagstaff, AZ 86004, Phone: 928.527-7930.

Contact Charitable Federations in Arizona

- Valley of the Sun United Way, www.vsuw.org, **Contact:** 1515 E. Osborn Road, Phoenix, AZ 85014, Phone: 602-631-4800
- Mesa United Way, www.mesaunitedway.org, **Contact:** 137 E. University, Mesa, AZ 85201, Phone: 480.969.8601
- United Way of Northern Arizona, www.nazunitedway.org, **Contact:** 1515 E. Cedar Avenue, Suite D-1, Flagstaff, AZ 86004, Phone: 928.773.981
- United Way of Yavapai County, www.unitedsayyavapai.org, **Contact:** 3343 N. Windsong Dr., Ste. 7, Prescott Valley, AZ 86314, Phone: 928-778-6605
- United Way of Tucson & Southern Arizona, www.unitedwaytucson.org, **Contact:** 330 North Commerce Park Loop, Tucson, AZ 85745, Phone: 520.903.9000
- United Way of Yuma County, www.unitedwayyuma.org, **Contact:** 180 W. 1st St., #B, Yuma, AZ 85364, Phone: 928.783.0515
- United Way of Pinal County, www.unitedwayofpc.org, **Contact:** PO Box 10541, Casa Grande, AZ 85230-0541, Phone: 520.836.0736
- River Cities United Way, www.rivercitiesunitedway.org, **Contact:** PO Box 966, Lake Havasu City, AZ 86405-0966, 928.855.6333
- United Way of Santa Cruz County, www.unitedwaysc.org, **Contact:** PO Box 2174, Nogales, AZ 85628-2174, Phone: 520. 761.1840
- United Way of Graham County, Inc. , **Contact:** PO Box 811 Safford, AZ 85548-0811, Phone: 928.428.2648
- United Way of Sierra Vista and Cochise County, www.unitedwaycochise.org, **Contact:** 77 Calle Portal Ste B-260-K, Sierra Vista, AZ 85635, Phone: 520.458.3288
- United Way of the Navajo Nation, www.navajoway.org, **Contact:** PO Box 309, Window Rock, AZ 86515-0309, Phone: 928) 871-6661
- Jewish Federation of Southern Arizona, www.jewishtucson.org, **Contact:** 3822 E. River Road, Tucson, AZ 85718, Phone: 520.577.9393.

Contact Your Local Public Foundations

Listed below are public foundations in Arizona which have assets of at least \$1 million and that focus on assisting donors, including corporations, to carry out their charitable giving. Their staff can provide a variety of services, including assisting you with defining your charitable goals, offering educational opportunities to learn more about specific issues that have an impact on our region, and sponsoring networking opportunities with other donors and nonprofit organizations.

- Arizona Community Foundation, www.azfoundation.org
Contact: 2201 E. Camelback Road, Suite 202, Phoenix, AZ 85016,
Phone: 602.381.1400
- The Community Foundation for Southern Arizona, www.cfsoaz.org,
Contact: 2250 E. Broadway Boulevard, Tucson, AZ 85719, Phone: 520-770-0800
- Jewish Community Foundation of Greater Phoenix,
www.jcfphoenix.org, **Contact:** 12701 N. Scottsdale Road, Suite 202,
Scottsdale, AZ 85254, Phone: 480.699.1717
- Jewish Community Foundation of Southern Arizona,
www.jcftucson.org, **Contact:** 5546 E. 4th Street, Suite 100, Tucson, AZ
85711, Phone: 520.577.0388
- Catholic Community Foundation, www.ccfphx.org, **Contact:** 400 E.
Monroe St., Phoenix, AZ 85004, Phone: 602.354.2405
- The American Foundation for Charitable Support Inc.,
www.americanfoundation.org, **Contact:** 4518 N. 32nd Street., Phoenix, AZ
85018-3303, Phone: 480.423.9796

Appendix

| | |
|---|----|
| Values Questionnaire, Worksheet A..... | 47 |
| Employee/Customer Questionnaire, Worksheet B..... | 48 |
| Sample Business Giving Policy Statement..... | 50 |
| Sample Community Involvement Statement..... | 51 |
| Sample Request Form | 52 |
| AGF's Common Grant Application Form | 54 |
| Sample Budget Categories | 55 |
| Sample Matching Gift Policy and Brochure | 56 |
| Sample Press Release..... | 62 |
| More about Corporate Foundations | 64 |
| More about Donor Advised Funds..... | 65 |

W O R K S H E E T

Which issues, problems, and projects are you most interested in? This worksheet can guide your charitable contribution decisions.

| We are interested in: | So we should consider giving to agencies like this: |
|---|--|
| <input type="checkbox"/> People in crisis | <ul style="list-style-type: none"> • Local food banks • Homeless shelters • Disaster relief agencies • Domestic violence shelters |
| Promoting arts, culture, and other “enriching” institutions | <ul style="list-style-type: none"> • Art and history museums • Religious and spiritual organizations • Performing arts groups |
| <input type="checkbox"/> Children and youth programs | <ul style="list-style-type: none"> • Youth sports teams • Recreational clubs • After school programs • Mentoring programs |
| Education for children and adults | <ul style="list-style-type: none"> • Colleges and Universities • Local school projects • Scholarship funds |
| <input type="checkbox"/> Health promotion | <ul style="list-style-type: none"> • Hospitals and clinics • Disease research and relief organization • Hospices • Local AIDS support organizations |
| Environmental preservation and enhancement | <ul style="list-style-type: none"> • Volunteer effort for clean-up or habitat restoration • Local or state organizations that promote education and public policy around the environment • Land trusts that buy and preserve land |
| <input type="checkbox"/> Civic/community | <ul style="list-style-type: none"> • Downtown improvement projects • Men’s/Women’s networks • Neighborhood associations |

Employee/
Customer
Questionnaire,
Worksheet B

We at _____ are reviewing our
(company name)
charitable contribution policy. In doing so, we are
interested in finding out what issues are most important to
our employees and customers.

Please help us by taking a minute to fill out this brief
questionnaire. Your feedback will help direct our
contributions wisely and effectively.

Please mark 1, 2 and 3 next to the three issues most important to
you. If you know of a specific agency, program, or project in this
category, please write the name in the available space.

People in crisis (out of work, needing food or a place to live,
victims of abuse, etc.)

An organization/program that does good work in this area is:

Enriching institutions (art and history museums, zoos, choirs,
religious organizations, public gardens, etc.)

An organization/program that does good work in this area is:

Children and youth programs (after-school programs, youth
sports, etc.)

An organization/program that does good work in this area is:

W O R K S H E E T

- Education (local school projects, colleges and universities, private schools, scholarship programs)

An organization/program that does good work in this area is:

- The environment (volunteer efforts for clean-up or habitat restoration, local or state environmental organizations)

An organization/program that does good work in this area is:

- Civic/community (downtown improvement projects etc.)

An organization/program that does good work in this area is:

- Health promotion (hospitals, hospices, disease support groups, etc.)

An organization/program that does good work in this area is:

- Other causes or organizations:

Employee/
Customer
Questionnaire

Worksheet B

Central Arizona Project

Central Arizona Project (CAP), Arizona's single largest resource for renewable water supplies, supports and funds organizations that promote CAP's purpose to ensure an adequate water supply to the residents of Maricopa, Pima and Pinal Counties. CAP is managed by the Central Arizona Water Conservation District (CAWCD). Through its charitable contributions program CAP strengthens business relationships, answers community needs and reinforces lasting commitments to the people and communities that CAP serves. CAP primarily contributes to organizations within its three-county service area involved in water education issues and environmental projects that support CAP's efforts.

Education

To prepare individuals of all ages to better understand water and its effect on our environment, contributions are considered for primary and secondary schools, community colleges, universities, technical institutions, and other organizations involved in water and other environmental education issues.

Environmental Projects

Funds are provided to organizations dedicated to protecting and enhancing the environment. Projects that depend on CAP water, enhance alternative water usage, or promote water conservation also are considered for support by CAP.

Review Process

Applications are reviewed by a Charitable Contributions Committee which consists of a member of CAP's popularly elected Board of Directors, staff and customers. All organizations are notified of the results of their applications through written correspondence.

Grant Awards

Contributions up to \$5,000 may be awarded by the committee. Multi-year funding commitments are not available. Applications are accepted throughout the year. Grants are awarded in June and December of every year. Grants awarded in June must be received by May 1, those awarded in December must be received by November 1.

Eligibility Criteria

1. The program must support CAP's primary purpose of ensuring that central and southern Arizona have an adequate water supply.
2. The program should benefit residents of CAP's service territory, Maricopa, Pima, and Pinal Counties.
3. The program should clearly define its need and impact on the community and how it enhances or improves existing CAP services.
4. The program must have measurable educational and/or environmental goals and objectives and a realistic method of achieving those goals.
5. The applicant must have sources of financial support other than CAP and must demonstrate the ability to financially sustain itself beyond the year in which a CAP contribution is made.
6. Contributions are not made to religious entities, political parties, or any other partisan organization.

How to Apply

Applications are available from CAP at 623-869-2450. Applications must include the following:

- A full description of the project and its goals and objectives.
- The amount requested.
- A summary of the organization's history and key achievements.
- The organizational structure and size, including board, staff, and volunteer involvement.
- Future plan for sustaining the effort.
- Program evaluation plan, or how the organization will judge its success in meeting its goals.

<http://www.cap-az.com/static/index.cfm?contentID=50>

US Airways

Investing in Our Communities

US Airways invests in community organizations and initiatives to enhance the quality of life in the airline hub markets and focus cities of Boston, Charlotte, Las Vegas, New York, Philadelphia, Phoenix, Pittsburgh and Washington, DC.

US Airways is committed to arts and culture, health and human services, and education and that commitment is reflected through annual financial and travel donations on behalf of US Airways' giving programs and foundations.

Community Relations Principle

The US Airways Board of Directors believes good corporate citizenship is in the best interest of our company and helps ensure the airline's long-term viability. Through our community relations activities, we contribute to the economic and social well being of a range of stakeholders, including employees, shareholders, passengers and the communities in which we operate.

US Airways fulfills its commitment to corporate citizenship through corporate philanthropy (support of a broad range of nonprofit organizations, including arts and culture, health and human services, education, environmental and civic), foundation giving and employees' involvement in their local communities through volunteerism and service on nonprofit boards.

Employee Volunteerism

US Airways employees are actively involved in making a difference in the community.

www.usairways.com/awa/content/aboutus/corporategiving

Sample
Request
Form

Charitable Request Form

Request to the _____ for a Charitable Contribution. (company name)

Name of organization _____

Contact person _____

1. Is the organization a 501(c)(3) organization? Please attach proof.

2. What size donation are you asking for?

3. For what purpose are you seeking a donation? Be specific.

4. Why is this important?

5. Who else is supporting your organization? How much do you receive from other sources?

6. How many will benefit or be served by your program?

7. How will you measure whether or not you are successful?

8. Which other organizations in this community provide substantially similar services, and how does your program differ in emphasis and effectiveness?

9. Please attach a list of the members of the organization's board of directors.

10. Please attach a copy of a budget for the project and an overall agency operating budget.

The Arizona Common Grant Application Form

The common grant application form is accepted by a number of local private and corporate foundations. Your company may wish to use the form in its entirety or modify/select certain sections to meet the needs of your charitable giving program.

The application provides a detailed outline of the narrative required, which includes agency information, purpose of grant, and evaluation of results. It also specifies attachments to be included (board of directors, finances, annual report, recent articles, and tax-exempt status documentation), and budget form.

To download the most up-to-date version of Arizona's common grant application form, please go to www.arizonagrantsmakersforum.org and click on "Resources for Nonprofits," then "Common Grant Application." The application is available as a downloadable Word document, along with an Excel template for the project and organizational budgets.

Sample Budget Categories

Sample Budget Categories

Each company's budget will be different, depending on priorities and goals. Here are categories from one company's Community Relations budget:

- Charitable Grants
- Marketing sponsorships for the benefit of nonprofit organizations
- Gala tables
- Charitable golf outings
- Dues to Chamber of Commerce and economic development entities
- Corporate memberships to nonprofit institutions (such as museums)
- Employee volunteer function expenses (t-shirts, food, supplies)
- Fees for leadership programs (such as Leadership Arizona)
- Dues for local Association of Grantmakers
- Discretionary fund for the CEO to support his/her interests and those of employees within the company who serve on nonprofit boards of directors

The Matching Gifts Program

The Matching Gifts Program of Mercantile—Safe Deposit and Trust Company is part of our ongoing assistance to the many nonprofit institutions essential to the community's well-being. We are proud of our community involvement and the active part played by you, our employees and directors, as volunteers and donors.

The Matching Gifts Program is designed to support you in your charitable giving by doubling the effectiveness of your charitable contribution, matching it, dollar for dollar, within the guidelines outlined in this brochure.

The Matching Gifts Program is administered from the Mercantile Bankshares Corporation Community Relations Department. If you have a question about whether an organization will qualify for a matching gift, please call Community Relations at (602) 000-0000.

WHO IS ELIGIBLE TO PARTICIPATE?

- Current employees of Mercantile—Safe Deposit and Trust Company who have at least six months of continuous service and are eligible for employee benefits;
- Pensioned retirees, with at least 20 years of full-time service to Mercantile—Safe Deposit and Trust Company and/or Mercantile Bankshares Corporation, who are currently retained by the affiliate or the Corporation on an annually renewable consulting contract;
- Directors of Mercantile—Safe Deposit and Trust Company and/or Mercantile Bankshares Corporation.

Matching gift requests received after an employee or director has left the company will be matched if the gift was made before the donor's departure. The total matching gift limit will be based on the donor's remuneration for the period from January 1 to date of departure.

WHAT AND HOW MUCH WILL BE MATCHED?

To be matched, your gift must be a personal contribution of \$100 or more to a qualifying institution. (Gift may not come from donor's business or professional partnership account.)

Cumulatively, in any one calendar year, Mercantile—Safe Deposit and Trust Company will match up to 10% of an employee's base rate of pay as of January 1 of that year or, in the case of qualifying employees hired after that date, at the date of employment. Each Director's gifts will be matched up to whichever amount is greater, \$1,000 or 10% of total potential remuneration as of January 1 of that year, either received or deferred during the applicable year.

Gifts may be in the form of cash, check or securities with a quoted market value.

To be matched, gifts made in the prior year must have been made in the 4th quarter of that year and certified by the recipient before the end of the 1st quarter of the current year. When determining a donor's annual matching limit, gifts made in the prior year will be attributed to that year.

Gifts must have been paid to be matched, not pledged or in the form of a deferred gift.

Gifts to qualifying community foundations may be for operating or unrestricted funds or to a separate endowment or donor-advised fund.

Payments not eligible for matching include membership dues, fees, the non-deductible portion of payments for events or any other payment not made as a direct charitable contribution.

WHICH INSTITUTIONS ARE ELIGIBLE TO RECEIVE MATCHING GIFTS?

The recipient of your gift must be recognized by the IRS as a tax-exempt institution, contributions to which are deductible for income tax purposes. Certain charitable organizations that do not qualify are described below.

Institutions must be located in the state of Arizona or in a community served by an affiliate of Mercantile Bankshares Corporation.

Gifts must be made directly to the local chapter of a qualifying organization when that organization is headquartered outside any affiliate market area.

Colleges and universities, as well as non-public primary and secondary schools, must be accredited by a recognized accrediting agency.

Hospitals must be nonprofit institutions accredited by the Joint Commission on Accreditation.

WHICH INSTITUTIONS DO NOT QUALIFY TO RECEIVE MATCHING GIFTS?

Matching gifts will not be made to religious organizations (exceptions may be made for community service programs which are non-sectarian in nature, such as soup kitchens); educational institutions whose primary purpose is religious training, such as seminaries or rabbinical colleges; political organizations; an organization whose primary purpose is to influence legislation; public primary and secondary schools; veterans' organizations; community funds, such as the United Way, which are generally supported by affiliates under other giving programs; private or corporate foundations.

WHAT SHOULD I DO TO INITIATE A MATCHING GIFT?

Fill in Donor section of form attached to these Guidelines and send it with your contribution and the Guidelines to the recipient institution. Recipient will use the other side of the form to verify that your gift has been received. You do not need to notify Mercantile—Safe Deposit and Trust Company of your contribution.

Contributions will be matched at least once each calendar quarter and you will be notified when your gift has been matched.

Contact your Human Services representative or Community Relations for additional Matching Gifts forms.

ADMINISTRATION

The Board of Directors of Mercantile Bankshares Corporation may modify or terminate the Program at any time. In the event of termination, qualifying gifts made while the Program was in effect will be matched. The interpretation of the Program's provisions and final decisions regarding matching gifts will be made by Mercantile Bankshares Corporation.

Mercantile—Safe Deposit and Trust Company Matching Gifts Form

Please fill in the **Donor** portion of this form and, with Guidelines still attached, send to **Recipient** institution with your donation.

DONOR

Employee Director

Donor's name (Please print) _____

Home address _____

City _____ State _____ Zip Code _____

Office telephone (_____) _____

Date of gift _____ Amount of gift \$ _____

Recipient of gift _____

Form of gift _____

Cash or check Securities

Name of security _____ No. shares _____

Market value per share on date of gift _____

Where quoted _____

I authorize the recipient institution to report this gift in order to qualify it under the Matching Gifts Program.

Donor's signature _____

RECIPIENT INSTITUTION

Please fill in this form and return to:

Matching Gifts Coordinator, Community Relations
Mercantile Bankshares Corporation, P.O. Box 1477
Phoenix, AZ 85016

I certify that a personal gift of \$ _____ was
received from _____
on _____, that this institution has an
IRS charitable status, that in all other ways it qualifies for a
match according to the attached Guidelines, and that the gift
and its match will be used in accordance with those Guidelines.

Signature of Financial Officer
or other authorized person _____

Title _____

Telephone (_____) _____

Name of institution _____

Address of institution _____

City _____ State _____ Zip Code _____

Taser Foundation

FOR RELEASE: December 28, 2004 at 7:30 am EST

CONTACT: Steve Tuttle, Vice President of Communications, TASER International, 800-978-2737

TASER Foundation Awards Three Memorial Grants to the Families of Homeland Security Officers Lost in the Line of Duty

Since November 14, 2004 the TASER Foundation has awarded 29 grants totaling over \$188,000 to the families of fallen officers in the United States and Canada

SCOTTSDALE, Ariz., December 28, 2004 – TASER Foundation, a new non-profit foundation established to honor fallen law enforcement officers and provide one time financial grants to their families announced today that it has awarded memorial grants to the families of three United States Border Patrol Agents killed in the line of duty.

Border Patrol Agent George Debates from the Casa Grande, Arizona Station was killed on December 19, 2004 in a motor vehicle accident while patrolling near Ajo, AZ. A memorial service will be held 11:00 AM December 29 at the Casa Grande High School. Agent Debates is survived by his mother.

Sr. Patrol Agent Travis Attaway and Sr. Patrol Agent Jeremy Wilson drowned after their patrol boat capsized in the Rio Grande River on September 19, 2004. Both were from the Harlingen, Texas Station. Agent Attaway is survived by his parents Tom and Dorothy Attaway. Agent Wilson leaves behind his parents Bonnie Jaeger and Mike Wilson.

“These men represent our first line of defense in Homeland Security. We are very honored to remember these officers and provide help to their families,” said Gerry Anderson, Executive Director of the TASER Foundation.

To date, 150 law enforcement officers in the United States and 6 law enforcement officers in Canada were killed in the line of duty this year. “TASER International works in partnership with American and Canadian law enforcement agencies to enhance the safety of our officers and the general public,” said Tom

Smith, President of TASER International, Inc. “We are pleased to expand this partnership in a way that honors the sacrifice of these brave men and women. In addition, we have developed the TASER Foundation web page at www.TASERFoundation.org,” concluded Smith.

The TASER Foundation distributes financial memorial grants to the families of fallen officers in the United States and Canada through donations and an initial endowment of \$1,000,000. Over half of the initial endowment came in direct contribution from TASER International employees with the balance contributed by the company. One time grants are available only upon request by chiefs of police and sheriffs as well as federal law enforcement executives in the name of sworn officers killed in the line of duty since August 1, 2004. The TASER Foundation’s mission is to honor the service and sacrifice of local and federal law enforcement officers in the United States and Canada lost in the line of duty by providing financial support to their families. TASER International bears all of the administrative costs of the TASER Foundation in order to ensure 100 percent of all donations are distributed to the families of fallen officers.

About TASER International, Inc.

TASER International, Inc. provides advanced non-lethal devices for use in the law enforcement, military, private security and personal defense markets. TASER devices use proprietary technology to safely incapacitate dangerous, combative or high-risk subjects who pose a risk to law enforcement officers, innocent citizens or themselves. TASER technology saves lives every day, and the use of TASER devices dramatically reduces injury rates for police officers and suspects. TASER technology is currently in testing or deployment at over 6,000 law enforcement and correctional agencies in the U.S. and abroad. For more information on TASER life-saving technology, please call TASER International at (800) 978-2737 or visit our website at www.TASER.com and www.TASERFoundation.org.

For further information contact Gerry Anderson, Executive Director of the TASER Foundation at Gerry@TASER.com or call 480-905-2090 or visit the TASER Foundation website at www.TASERFoundation.org for facts and video.

More About Corporate Foundations

Many corporate leaders chose to create a corporate foundation. By choosing this giving option, a company can preserve its charitable giving during lean economic times. A corporate foundation can also be used to buffer a company's management from external requests and pressures.

Corporate foundations are usually incorporated under state law as nonprofit corporations or organized as charitable trusts. They are recognized by the Internal Revenue Service as tax-exempt organizations. They are typically launched with a single gift that becomes the endowment, which may be added to annually or when, and if, profits allow.

The foundation is governed by a board of directors, usually the company owner(s) and key executives, although leaders from corporate headquarters communities have been known to be included.

Corporate foundations are often operated as “flow-through” or “conduit” foundations that distribute their assets soon after they are received.

Grantmaking decisions are usually made by the board of directors or trustees, although discretion up to a specific dollar level is usually given to the foundation president or executive director.

Corporate foundations are governed by state and federal laws that prescribe set-up, record keeping, and other administrative activities. For additional information on starting a corporate foundation, see *First Steps in Starting a Private Foundation* (available from the Council on Foundations).

Source: *A Guide for Small and Mid-Sized Companies: Creating a Giving Program*, Forum of Regional Association of Grantmakers, 2000, pg. 20.

More About Donor-Advised Funds

Many corporations do their giving through donor-advised funds that they establish at their local community foundations or other public charity. Your company can name a donor-advised fund and specify a broad or narrow purpose for it.

When your company establishes the fund, it designates an individual or group of individuals to serve as its “advisors.” These individuals “advise” the community foundation or public charity on how the income from your company’s fund should be distributed in the form of grants (hence the term, “donor-advised” fund). While the final decision on grant distributions rests with the board of trustees of the community foundation or public charity, in practice your company’s grant recommendations will seldom, if ever, be rejected.

A donor-advised fund is not subject to the excise tax and payout requirements of a private foundation and it can be established quickly and easily. Because community foundations are public charities supported by donors from across the community, all contributions are allowed the maximum tax benefits (up to 50% of adjusted gross income).

While a community foundation or other public charity may charge a small annual fee for administering the fund, research indicates that, depending on asset size, it is normally less expensive than the annual operating expenses of a private foundation. Many community foundations can help you define and achieve your philanthropic goals. They often have a deep knowledge of local needs and giving opportunities.

Source: *A Guide for Small and Mid-Sized Companies: Creating a Giving Program*, Forum of Regional Association of Grantmakers, 2000, Pg. 21



ABOUT AGF

Arizona Grantmakers Forum is a statewide association that provides educational resources, research and networking opportunities for grantmakers in Arizona. AGF's mission is to increase, enhance, and improve philanthropy in Arizona. We are the primary source of information relating to both individual and institutional giving both locally and nationally.

Established in 1986 by Arizona corporations and foundations interested in increasing the effectiveness of their charitable giving, AGF includes over 80 member organizations that give grants to the nonprofit community, and includes public and private foundations, corporations, trusts and donor advised funds, government entities, and individuals. Corporations make up the largest percentage of these, with 35% of our members representing corporate foundations or giving programs.

AGF 2008 BOARD OF DIRECTORS

Edmund Portnoy, Ph.D., Chair

Director of Grants Programs, Nina Mason Pulliam Charitable Trust

Carol Peck, Ed.D., Vice Chair

President & CEO, The Rodel Charitable Foundation of Arizona

Roy Pringle, Secretary/Treasurer

Associate Director of Finance & Administration, St. Luke's Health Initiatives

Charlie Thompson, Immediate Past Chair

Manager, Rural Community Development, Arizona Public Service

Steve Alley

President & CEO, Community Foundation of Southern Arizona

Kerry Blume

CEO, United Way of Northern Arizona

Gene D'Adamo

Vice President, Community Relations, The Arizona Republic

Irene Jacobs

Executive Director, Governor's Office for Children, Youth and Families

Robert King

President & CEO, Arizona Community Foundation

Patricia Miles

President, The McMiles Foundation

Judy Mohraz

CEO, The Virginia G. Piper Charitable Trust

Barbara Poley

Executive Director, The Hopi Foundation

Don Snider

CFO, The Flinn Foundation

Brian Spicker

Senior Vice President, Valley of the Sun United Way

Gerald Wissink

President, BHHS Legacy Foundation

Special thanks to Susan Forrest who compiled the primary research for this report, and to the Board of Directors of AGF for their review and editorial suggestions.

www.azgrantmakers.org

Arizona Grantmakers Forum
1505 E. Missouri Ave., Suite 200, Phoenix, AZ 85014
602-977-2756 phone | 602-687-7894 fax