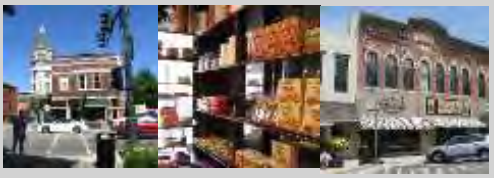


# Diversify Your Revenue Sources!

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# FIND ALL THE HANDOUTS HERE

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- [heritageconsultinginc.com/services/downtown-revitalization/training-workshops/handouts-for-hammon-la-diversity-your-revenue-sources-workshop](http://heritageconsultinginc.com/services/downtown-revitalization/training-workshops/handouts-for-hammon-la-diversity-your-revenue-sources-workshop)

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# Agenda for this session

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- Main Street budgets in general
- Benefits of diverse revenue sources
- Quickest ways to raise money
- Where do charitable dollars come from today?
- 7 traditional Main Street revenue sources
- Who is responsible for fundraising?
- Focus on revenue YOU control
- Identifying new revenue sources
- Work plans for new revenue sources

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# Main Street budgets in general

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- Budgets start small, grow incrementally
- Are a function of local talent and persistence
- Harder to raise money as time goes on, not easier
- 7 traditional Main Street revenue sources
- Diversify your revenue sources ASAP



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Benefits of multiple sources of revenue

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- Prevents over-reliance on any one source
- Cushions the organization against unforeseen circumstances
- Allows mistakes to be made without dire consequences
- Encourages many people to become involved with the organization



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Quickest way to raise money

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- Corporate philanthropy 3-12
- Major donors 3-6
- Selling products 3-6
- Auction 3-12
- Government grants 1-3 years
- New business set up 2-5 years
- Direct mail only 3-5 years
- Bequests/planned gifts 3-20 years

From Joan Flannigan Grass Roots Fundraising Book

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Quickest way to raise money

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- Dues today
- Individual donations today
- Corporate donations 1-6
- Special events 1-6
- Selling services 1-6
- Foundation proposals 3-12
- Corp sponsorships 3-12

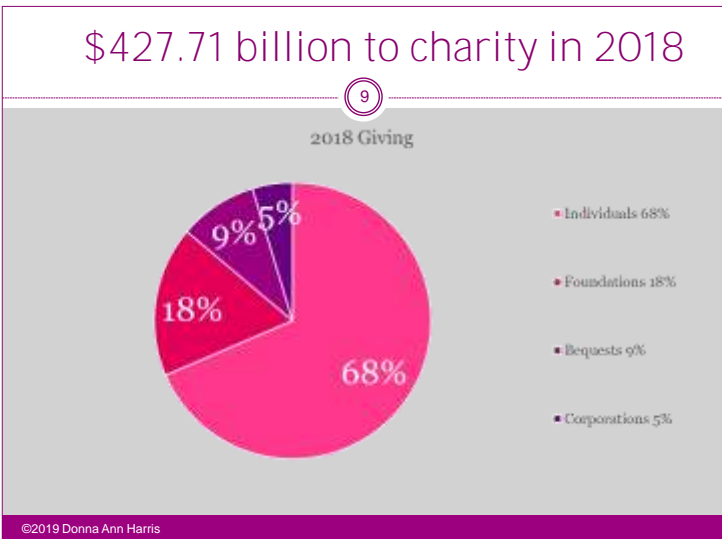
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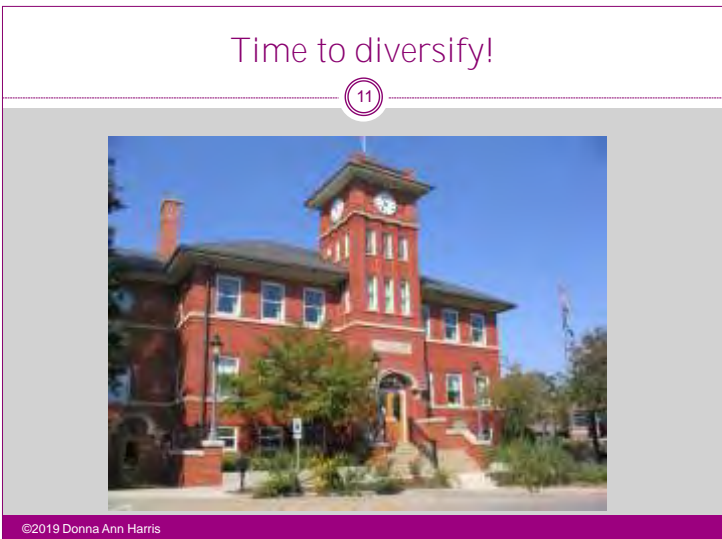
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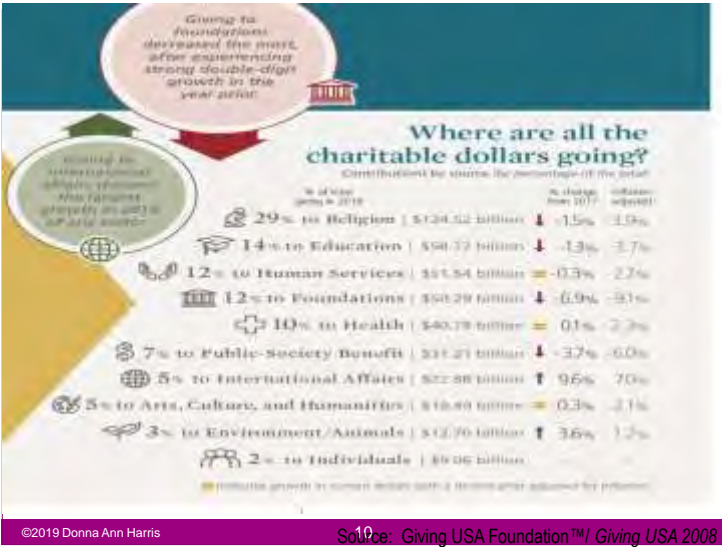
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- ### 7 traditional sources of support
- 12
1. Government
  2. Membership/annual gifts
  3. Sponsorship
  4. Special events
  5. Signature fundraising events
  6. Project grants
  7. Tax revenue (BID, Hotel motel taxes)
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### 1. Government

- Government should provide a portion of the funds to operate
- Over reliance on one source is problematic

- Local government and county government
  - Direct appropriations
  - In kind services (public works)
  - Maintenance of public areas

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### 2. Membership

#### Annual gifts

- Annual unrestricted gifts by interested folks to support the organization in general
- Multi-year pledges vs. annual dues
- Definitions: Members; donors; sponsors
- Whom to ask to become a member?
  - EVERYONE! Not just merchants/property owners

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### Government

- Longstanding financial commitment
- Government support should never stop
- High interest and involvement by elected and appointed officials in the work of MS
- A true public/private partnership makes Main Street great



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### 7 ways to increase membership dollars

1. Take all credit cards
2. Increase/diversify your membership levels
3. Employee matching gifts
4. Take memberships on line
5. Ask members to give more money on renewal
6. Ask sponsors to become members
7. Ask people to pledge

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### Common membership problems

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- Renewals are haphazard
- Failure to collect pledges
- Natural loss each year
- Not asking often enough
- Not understanding the difference between a member and donor
- Membership has to be **someone's JOB**



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### Typical 3-5 year old membership

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Amt	title	#	\$	%
\$35	individual	145	5,075	20
\$50	family	33	1,650	6
\$100	friend	78	7,800	30
\$250	patron	19	4,750	19
\$500	benefactor	8	4,000	16
\$1000	best friend	2	2,000	8
Total		285	\$25,275	100%

Average gift is \$88.68

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### 2. Typical start up membership

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Amt	title	#	\$	%
\$35	individual	55	1925	14
\$50	family	30	1500	11
\$100	friend	35	3500	26
\$250	patron	12	3000	22
\$500	benefactor	5	2500	18
\$1000	best friend	1	1000	7
Total		135	\$13,425	100%

Average \$99.44

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### 3. Sponsorship

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- Supports specific activities
- Sponsor gets a specific benefit for their contribution
  - Marketing, merchandizing opportunities
  - Sampling, promotions
  - Advertising
  - Hospitality for clients, employees



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### Why do a sponsorship annual plan

- Prevents nickel and dime solicitations
- Targets sponsorship dollars
- Allows sponsors to spread their marketing dollars over several events
- Makes you look more professional



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### 4. Special events

- Events have their own life cycle, need to be refreshed constantly
- Grooming leadership to take over event
- Volunteer retention and rotation
- Should pay for themselves at least, if not make **money....however sometimes you do events for community benefit.....**

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### 4. Special events

- Purpose: Builds downtown traffic
- Not designed to ring cash registers that day




- Types of special events
  - Community heritage
  - Traditional and not so traditional holidays
  - Dates/events that have meaning here
  - Social events

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### 4. Special events

- Time for an assessment
  - Have your events become too big? Police?
  - Should some events be cut?
  - Are volunteers burned out?
  - Can you generate more profits from them?



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5. Signature fundraising events

- Signature: identified with your organization only
- Grows over time
- **But...they get stale**
- **Don't make them weather dependent**
- Gross vs. net—is the event worth your time?
- Once a year vs. several during the year

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5. Signature fundraising events

- Think of them as having component parts you can add to:
- Awards dinner
- Add silent auction
- Add live auction
- Add sponsorship book
- Add raffle at event
- Add preview cocktail party


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Types of fundraising events

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- Typical or non-typical
- Gala
- Auctions
- Sales
- Progressive Dinners
- Modest or high ticket price



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6. Project grants

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- Government: Federal, State, County, Local
- Private Foundations: National, State/regional, community
- Corporations
- Rarely for operating funds
- Mostly for projects
- All have strings attached



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### 7. Tax revenues/special assessments

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- State, county and local tax revenue
- Each source has different rules
  - Hotel/motel taxes
  - TIF
  - BID
- Revenue could be in the form of grants, appropriations, RFPs etc.



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### 7. Business Improvement Districts

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- Spreads costs to all who benefit
- Implemented as a municipal tax/assessment
- Often managed by non-profit organization under city contract
- **Eliminates “freeloaders”**



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### 7. BIDs

- Local property owners petition government to establish a mandatory assessment on property within a defined boundary
- Revenues from assessment are directed back into boundary to finance enhanced services that benefit everyone
- Predictable and non-voluntary funding stream

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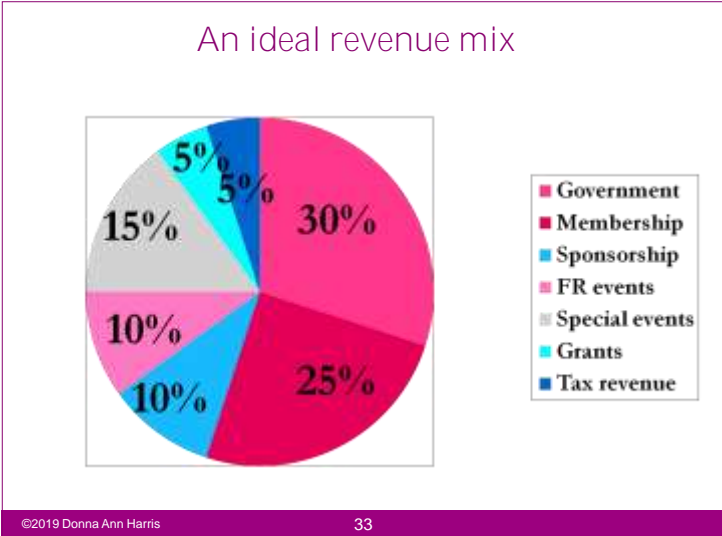
### 7. BID feasibility

- Understanding FL enabling legislation
- **Feasibility, “do the math”**
- Timing, politics, overcoming objections
- Is the budget large enough to warrant the effort?
- Implementing a BID
- Yearly budget and vote by City Council
- What % of budget? Best if a portion of the budget not the whole budget

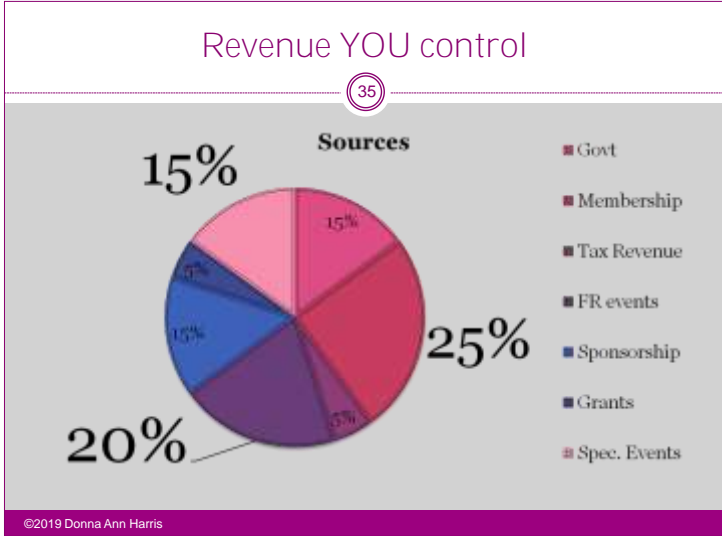
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### Focus on revenue YOU control

- Membership--shoot for 25% to 33%
- Sponsorship—shoot for 15%
- Signature fundraising events—shoot for 10-15%
- Start your budget year knowing you will have 50% of your budget from regular, predictable income each year!

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### Questions about revenue sources?

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### Who raises money in Main Street?

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### Board role in fundraising

- The buck stops here!
- Board ensures that the program is well-funded
- Takes the lead in soliciting public funding
- Works with the organization team to develop a strategic plan for organizational funding

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### Roles and responsibilities for fundraising

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- The Board of Directors
- Organization team
- Other teams
- Main Street Executive Director



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### Board role in fundraising

- Monitors financial condition of the organization
- Supports all fundraising activities of the organization
- All board members make a financial contribution to the extent that they are able



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Organization Committee role

- Assists Board in soliciting public funding
- Implements annual membership campaign
- Produces signature fundraising events and product sales
- Generates other fundraising activities as assigned by board

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Other Committees

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- Raise money for their projects
- Earn money from their events
- Find volunteers to help



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Organization Committee Role

- Maintains sponsorship list
- Maintains grant list
- Works with the manager to develop fundraising support materials
- Supports Board in implementing a BID

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ED role in fundraising

- Serves as public relations ambassador
- Makes sure fundraising work plan is implemented
- Writes and monitors all grants
- Assists in the development of membership & fundraising materials
- Supports the organization team and the Board in all fundraising efforts
- Tracks contributions, recordkeeping

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### Finding volunteers to help

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- Identify skills you need
- Develop short 2 **paragraph 'job descriptions'**
- Post on web site, solicit actively to fill these
- Identify number of **"warm bodies"** you need for more generalized activities



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A sustainable MS organization

- At least 50% of revenue is
  - Regular, predictable & completely within your control
- Watches expenses like a hawk
- Has a reserve of at least 4 months of operating costs, preferably MORE
- Experiments and risks failure
- Thinks about the future—BID, endowment

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### Finding partners

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- Identify potential partner organizations
- Solicit volunteers **'wholesale' from these sources**
- Remember: quid pro quo



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### Questions about who does what?

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A Fundraising Annual Plan

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- Pie charts help
- Assign responsibility
- Stress accountability without shaming people
- All can contribute to the fundraising effort
- Match talents to task, so all can shine
- Create a work plan for FR Annual Plan




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Q & A



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Next steps

- Flesh out work plans for FR projects
- Board should adopt new work plan items
- Bolster Organization Committee membership
- Identify leaders for specific tasks
- Solicit skilled volunteers first
- Think wholesale recruitment for other volunteers
- Celebrate your successes

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Contact me!

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