

# II

## Fund Raising

### Fund Raising, Donations, and Grants

Attracting donations of money and/or property can greatly supplement operating funds for CAP units. The keys to these programs are CAP's federal tax exempt status and the public's awareness of CAP's volunteer public service.

#### **Tax Exempt Status**

An important part of soliciting donations or conducting fund raising activities is CAP's federal tax exempt status. The IRS has ruled that CAP and its subordinate units are exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. This makes donations to CAP eligible for deductions from income by donors as "charitable contributions." For verification of CAP's tax exempt status, refer to the IRS's annual edition of "publication 78" or request a current letter of exemption from National Headquarters General Counsel.

#### **Fund-Raising Regulation**

Before launching any fund-raising effort, become thoroughly familiar with CAPR 173-4, *Fund Raising/Donations*. This regulation provides a brief overview of acceptable fund-raising practices and policies within CAP.

#### **Prerequisite for Raising Money**

Raising money from the local community is not difficult if you have done your job in the public relations area. People will give to an organization whose good deeds are continually published in the newspaper and seen on television. However, if you have to tell them who you are and what your missions are, you're probably wasting your time asking for money. Good positive public relations and fund raising are very closely related.

The American people are very generous. Each year in the United States more than \$150 billion is given to charitable organizations. More than 80 percent of this comes from individual donations — people like you and your neighbors. When asked why they have not given to a specific charity, most people respond with the same answer, "Because I wasn't asked." Therefore, once you have established a good public relations program in the community, you must get out and ask for the donation.

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### Gift Sources

All philanthropic funds originate in general areas of the economy referred to as "gift sources" or "markets." The five gift sources for fund-raising activities are individuals, corporations, foundations, associations, and government. To some extent, each organization has potential supporters among these markets. To tap these sources, you must first identify those most likely to respond to an appeal from your unit.

This will require you to properly plan your fund-raising effort. The information in the next chapter on writing a grant, gives you some fundamentals on developing a plan. These fundamentals can be applied to grant writing, direct mail, telemarketing, or any other medium you may choose to use to raise money. The secret is developing the plan, then working the plan.

A very important facet of your plan is identifying your gift sources. Who will you ask for the donations? This will require some research to establish. You must understand the preferences and perceptions of the gift source and what they may require in the manner of a value exchange. What are their philanthropic interests? You need to establish the source's interests, ability and willingness to give. This is where the L-A-I principle of donor prospect identification comes to play. You must first separate your donor "suspects" from donor "prospects." Fund-raising professionals agree that seldom, if ever, will you secure a donation from a "suspect."

What is the L-A-I principle and what is its function in both fund-raising research and donor development? It is basically wisdom passed down through the ages from veteran fund-raising practitioners:

**L – Linkage.** A linkage relates to a contact, a bridge, or an access through a peer to the potential donor. If there is access to the gift source, then this link to the prospect makes it possible to arrange an appointment to discuss the potential of a gift. Or if the linkage is strong enough, it can sometimes be done through the mail or over the telephone.

**A – Ability.** Through research, it can be determined that the potential gift source has sufficient discretionary funds to justify a gift solicitation at the appropriate "asking" level.

**I – Interest.** If the potential contributor has no interest in the organization or little knowledge about its work, then the person will be prone to make a small gift or none at all. Interest in the organization and an understanding of its mission and accomplishments are imperative in the identification of valid donor prospects.

Most experts agree that all three L-A-I principles must apply when separating prospects from suspects during the evaluation of gift potential. The elimination of just one of the three principles will invalidate the process and reduce the gift candidate from prospect to suspect.

### Business Membership

Applications for business memberships are available from National Headquarters, Marketing and Public Relations Directorate. This is one of the easiest means to raise money for your unit. Memberships may be secured in the following categories:

\$5,000	Full Business Membership
\$2,500	Associate Membership
\$1,000	Friend of Civil Air Patrol
Any Amt.	Contributor to Civil Air Patrol

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Depending upon the size of the business, it is recommended that you set the minimum amount for this membership at \$50. If a business is interested in helping the unit, it will contribute at least \$50.

Once you have secured the Business Membership, fax or mail a copy of the application and a copy of the business check to National Headquarters Marketing and Public Relations Directorate, and a beautiful Business Member certificate and window decals will be sent to you to present to the business.

### Combined Federal Campaign, United Way

Since Civil Air Patrol is a federally tax exempt 501 (c) (3) organization, in most cases your unit would qualify for funding from these sources. Contact your local Combined Federal Campaign or United Way chairmen and find out what you need to do to get your unit registered as a recipient.

### Other Fund-Raising Activities

Make sure you are completely familiar with CAPR 173-4 before commencing any fund-raising activity. Also, check local laws and ordinances to make sure you are not in violation. Some possible activities might include the following:

- Operation of concession booths at air shows, state fairs, sporting events, or other activities.

- Sale of advertising in your unit newsletter.

- Car and aircraft washes.

- Bake sales.

- Sale of items with a portion of the proceeds going to the unit. For example, Christmas items or tickets to a local event.

- Corporate and foundation grants. How to write a grant is covered more fully in the next chapter.

There are a number of "causes" that every squadron can use to secure donations, i.e., cadet activities, equipment needs, buildings, general operating expenses. Four sample solicitation letters are included in this chapter to assist you in crafting a request for funds. You will note that each letter is personal — specific information about the squadron is given. In every case, you will also note that a specific amount is requested. *Never* solicit a donation without telling the person how much you want and how you will use the donation.

Type your letters according to CAPR 10-1.

Remember the public is very generous and they are going to give their discretionary income to some worthy organization — it might as well be your squadron. But you have to ask for it to receive it.

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**Sample fund-raising letter #1 – Event Sponsorship**

(Use squadron or wing letterhead)

January 20, 2000

Mr. Lewis P. Smith, President  
Smith Office Supplies  
123 North Main Street  
Daleville CA 45678

Dear Mr. Smith

I am writing to request your participation as a sponsor of our upcoming Emergency Services Training. The Daleville Composite Squadron of Civil Air Patrol will be conducting this annual event on April 14 - 16, 2000 at Bankhead National Forest. We would like for Smith Office Supplies to become a partner with Civil Air Patrol and show your support for our youth and the local community by agreeing to underwrite the program expenses associated with this important training opportunity. Your tax-deductible contribution of \$500 will go directly to cover the costs of training materials and emergency services equipment needed in conducting the training.

Approximately 30 Civil Air Patrol members from throughout the metro area will attend. They will learn the latest methods and techniques associated with air and ground search and rescue of missing persons and downed aircraft. They will study communications and first aid and they will learn mobilization skills for effective disaster relief. In coordination with law enforcement agencies, the American Red Cross, FEMA, the United States Air Force and others, Civil Air Patrol is called on to perform hundreds of missions each year. Truly every American citizen benefits from the work of Civil Air Patrol. When the Daleville Composite Squadron is called on to assist city, county, state and federal agencies with any local emergency service, we want to be ready. That is why your \$500 sponsorship is so important. It will help prepare our volunteer members to meet the future emergency service needs of this community and state.

I will call your office next Thursday, January 27, for an appointment to visit with you. At your convenience, I would like to discuss your sponsorship. In the meantime, please feel free to call me if you have any questions at (234) 567-8901. I look forward to meeting with you and discussing the benefits of your participation.

Sincerely

Milton A. Turner, 2Lt, CAP  
Emergency Services Officer

Sample fund-raising letter #2 – Specific Needs (such as uniforms)

(Use squadron or wing letterhead)

January 10, 2000

Ms. Alice S. Strong  
Director, Community Relations  
Auto Locks, Inc.  
#3 Industrial Parkway  
Gladville IL 67890

Dear Ms. Strong

The City of Gladville is very fortunate to have an outstanding Civil Air Patrol Cadet Squadron with over 40 active members. You may have noticed a recent newspaper article (*see enclosed*) about our color guard that has won numerous competitions and was selected to lead the city's 1999 Christmas parade. All of the young men and women that make up our cadet squadron are proud to be members and they are a joy to work with.

The Civil Air Patrol is a uniformed organization and our uniform instills respect and pride in everyone who wears it. The uniform also helps a young person develop their self-esteem. Most of our cadets, however, come from low-income families and simply cannot afford to purchase CAP uniforms. Therefore, I am writing to request financial assistance from your company so that every member of the Gladville Cadet Squadron can proudly wear our distinctive uniform. It will cost \$125 to purchase a basic uniform for each cadet and we have 18 cadets who come from low-income families (*household income below the poverty level*). Since Auto Locks, Inc. is one of the largest employers in our city, I am respectfully requesting that your company make a tax-deductible contribution of \$2,000 toward the purchase of these needed CAP uniforms. You might be interested in knowing that the cadets conducted a car wash this past October to raise money for uniforms and made over \$100. Also, the parents of some of our cadets who could afford to help out have donated another \$200 to our uniform fund. To date we have raised \$312 but we are a long way from the \$2,250 needed.

I will call your office next Tuesday, January 18, for an appointment to visit with you. At your convenience, I would like to discuss your contribution. In the meantime, please feel free to call me if you have any questions at (440) 220-1110. I look forward to meeting with you and telling you about the difference that CAP can make in the lives of young men and women.

Sincerely

Harrison G. Fox, 1Lt, CAP  
Squadron Commander

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**Sample fund-raising letter #3 – Corporate Sponsors**

(Use squadron or wing letterhead)

January 31, 2000

Lt Col John Q. Longworth, USAF (Ret)  
Plant Manager  
Orion Technologies, Inc.  
1400 Falcon Road  
Alexander FL 23456

Dear Mr. Longworth

Thank you for attending our Civil Air Patrol squadron meeting this past Monday. All of our members enjoyed hearing about your years as a CAP cadet in this squadron during the 1960s and how that led to a distinguished 21-year career in the United States Air Force. Your presentation on Orion Technologies, Inc. was extremely impressive and I want to congratulate you on the phenomenal growth the company has experienced under your leadership.

Following your presentation on Monday night, I shared with you that our squadron needed a corporate sponsor to help cover some of our annual operating expenses. You suggested that your company might be interested in serving as our corporate sponsor and that I should submit a written request so you could present the proposal to your company president. I have enclosed a copy of a three-page Sponsorship Proposal calling for an annual tax-deductible contribution of \$5,000. The proposal details how the annual sponsorship would be used to purchase much needed training materials, communications and emergency services equipment, uniforms for underprivileged cadets, routine operating expenses and maintenance of our squadron building, and etc. The proposal also includes several ways which our squadron can publicly recognize Orion Technologies, Inc. as our official sponsor. Please review the proposal and let me know if I need to make revisions prior to you presenting it to your company president.

Over the 40-year history of our local CAP squadron, local, state and national agencies have called on us numerous times to perform air and ground search and rescue missions, conduct counterdrug flights and even provide disaster relief manpower as well as aerial reconnaissance following two hurricanes. Truly every citizen of central Florida has benefited from the volunteer service and missions of our local CAP squadron. With Orion Technologies Inc. as our corporate sponsor, the Alexander Composite Squadron will always be prepared to meet the future emergency service needs of this community and state.

Please feel free to call me if you have any questions at (313) 125-9900. I look forward to hearing from you.

Sincerely

Steven C. Turner, Maj, CAP  
Squadron Commander