

FAQs of Fundraising

What is product fundraising?

Schools, school groups and other small non-profit organizations find many creative ways to raise funds -- from bake sales, spaghetti dinners, auctions and school carnivals to more aggressive advertising, affinity programs, grant writing and straightforward donation requests. But few fundraisers are more reliable for reaching specific fundraising goals than a good product sale.

Product fundraising has been around for over a century. It typically involves the purchase and re-sale of popular consumer products by a non-profit group whereupon the group sponsoring the sale keeps a portion of the gross sales. Products can be purchased in bulk and paid for in advance by the organization, then re-sold to supporters. Products may also be ordered using a catalog, order forms and other methods. Supporters pay for the product when the order is placed or upon final delivery.

Why is product fundraising effective?

Product fundraising usually involves a professional fundraising company - and often a sales representative - which serves as liaison between the product supplier and volunteers responsible for the fundraising drive. These companies provide advice, trouble-shooting, support, products, guidance and other valuable services that can reduce volunteer time and energy and maximize sales. Special events and other "do-it-yourself" fundraising methods are more labor-intensive and frequently yield smaller results. Product sales work because results are fast and people like buying products for a worthy cause. Each year, non-profit groups net approximately \$2 billion by selling products.

How can we prevent our parents and other supporters from burning out on fundraising?

Three simple suggestions:

1. Set clear goals and firm deadlines. Communicate fundraising goals and important dates often to parents and teachers, along with frequent progress reports.
2. Do a few and do them well. When it comes to fundraising, less is more. Don't make constant pleas just for the sake of fundraising. Communicate early on your goals and fundraising plans for the year. Families are more supportive if they understand and support one or two tangible goals.
3. Know what others are doing. Share dates and other important info with other fund-raising groups in the community to avoid duplicating efforts.

What percent of fundraising sales should organizations receive?

Percentages of sales offered to non-profit groups vary widely depending on the type of products being sold and the services offered by the fundraising company. Too often, fundraising coordinators equate financial success directly with the percentage of gross sales that their group will keep. Rather, volunteers should be focused on how the combination of product quality, company services and percent of profit to be received will all work together to help the organization meet its total fundraising goal.

Are incentive programs essential for motivating volunteers? What's appropriate?

Organizations eager to reach their goal often add an "incentive program" to their fundraising effort. Although the goal itself is motivation enough for some volunteers, prize or award programs can contribute significantly to the success of a program. Incentive programs are designed to encourage and reward participation and add an element of fun, encouraging broad participation of volunteers so that the burden of meeting the organization's goal does not fall to a dedicated few. Indeed, the majority of fundraising prizes actually distributed today are simple tokens (stickers, pencils) to recognize participation.

Does a product fundraising sale require "door-to-door" solicitation?

For some people, product fundraising has mistakenly become synonymous with the term "door-to-door sales." In fact, most product fundraising sales are made to parents, family members, friends and close neighbors. A successful product fundraising drive does not require volunteers - young or old - to canvass neighborhoods. Parents are very involved with these programs, often soliciting support from co-workers. Child safety is #1.

Is it appropriate for children to participate?

School fundraising drives are often a child's first taste of volunteer service. If presented and supervised properly by a parent, coach or teacher, a fundraising project to support school or extra-curricular activities can build a child's confidence, self-esteem, sense of responsibility, good manners, planning and budgeting skills, to name a few.

However, children should never be allowed to sell door-to-door unless directly supervised by a parent or responsible adult. According to the Association of Fund-Raising Distributors and Suppliers, fundraising companies, school and organization leaders and parents must be diligent in assuring that children participate in fundraisers in a safe manner.

Who are product fundraisers?

Product fundraisers are companies that provide products and services to schools, parent-teacher organizations, booster clubs, church groups, youth sports leagues, scouting groups and other non-profit organizations to assist them in their fundraising programs. These companies have the knowledge and expertise to help groups select safe, effective approaches to fundraising. There are large national companies that specialize in fundraising as well as many smaller, family owned businesses that collectively employ thousands of men and women who justifiably take great pride in helping schools and other organizations raise money. Product fundraisers are also sometimes referred to as fundraising distributors.

Why should companies benefit from fundraising efforts?

Fundraising companies provide products and services to help schools and non-profit groups. Like all other services schools may utilize, professional fundraising services do come with a price. But the rewards of a good relationship with a fundraising company are well worth the investment. The portion of the gross proceeds that go to the fundraiser cover the company's costs of doing business, including: 1) the cost of the products and other materials (e.g. brochures, order forms, parent letters); 2) the costs associated with services such as stocking and handling inventory, packing, shipping and troubleshooting; and 3) a fair profit so that the company can provide service year after year.

What is the association of fund-raising distributors and suppliers?

The Association of Fund-Raising Distributors and Suppliers is an international association of more than 650 companies that provide products and services to non-profit organizations to assist in fundraising programs. AFRDS and its members are dedicated to promoting professionalism and integrity in product fundraising.

Because childhood obesity continues to be a problem in the U.S., is it still appropriate for schools to sell candy to raise funds?

AFRDS encourages school officials to take prudent action to promote the health and well-being of their students and allow fundraising candy sales to continue as allowed under federal, state and local regulations. Otherwise, a critical resource for schools will be lost. Recent reports about the rise of childhood obesity by the Surgeon General and the Centers for Disease Control have justifiably focused attention on child nutrition and physical health. Schools have been identified as one place to begin to address this important health issue.

Examining food consumption by students at school makes sense. Improving physical and nutritional education programs also makes sense. But eliminating choices in school fundraising – where decisions to purchase or consume food items are made off school grounds and largely by adults – will not effectively address the child obesity problem. Rather it will serve only to further another crisis – inadequate funding of education. State and federal law and policy makers recognize this and, to date, there are no federal or state restrictions on food or beverage products offered as part of a school fundraiser when the sale of products is intended to take place *off the school grounds and after the end of the school day.*



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