



Erie Gives Cautions

The results of Erie Gives Day have grown significantly over the years and the Day is now an integral part of the fundraising operations of many an Erie nonprofit. This growth is due in large part to the hard work of Erie nonprofits in communicating to their donors the significance of their mission and the impact of the donor's gift. We applaud and want to encourage all of that hard work. Great job, Erie nonprofits!

With that said, we have a few thoughts on fundraising best practices that will help to ensure your continued success.

1. Follow your donor's wishes and report back.

More and more agencies are designating Erie Gives funds for specific projects or purposes. This is a great idea and one that parallels the trend in the fundraising industry where donors are eager to see funds restricted for a specific purpose, and to see the impact of their gifts.

If you restrict those funds, be sure to use those funds explicitly for what you stated. Not only is this the honest thing to do, but if you do not follow your donor's intent, it is a violation of the Association of Fundraising Professionals's [code of ethics](#).

Additionally, this restriction gives you a great opportunity to communicate to the donor the real impact of their gift. Always follow-up to tell them how you used the gift and how it impacted those you serve. This is vital in building donor relationships beyond Erie Gives Day.

2. Incentivize giving to your organization on Erie Gives Day with powerful storytelling, not through chances to win.

Encouraging a donor with stories about the impact of their gifts or the need of the community is a powerful way to tap into the great generosity that exists in the Erie region. Encouraging donors to give to a charity with the corresponding chance to win something is not a charitable transaction, but instead a game of chance.

The gift that is being made on Erie Gives Day is technically a gift to The Erie Community Foundation, which then makes a corresponding grant to the charity. In return for that gift to the Foundation, the donor receives a receipt that they can then use for tax-deduction purposes. **If you communicate to donors that they can be entered into a chance to win something in exchange for their gift, then you have turned the process into a game of chance, which is not tax-deductible.** Doing so can put your donors at a potentially serious crossroads, since they are under the impression that their gift is tax-deductible.



3. Focus on the donor's generosity and philanthropic spirit, especially those who can make major gifts.

We have seen over the years an increase in the number of organizations who are encouraging their donors to make annual or major gifts on Erie Gives Day. This is a great way to maximize the community energy of the Day as well as your proportion of the prorated match. What needs to be avoided is encouraging individuals to make a gift on the day that will then be allocated toward some payment for service. For example, if a donor makes a gift on that day and that gift will then go to a payment for tuition, that does not classify as a charitable gift. Donors may not receive a substantial benefit for a charitable gift; if they do receive a substantial benefit, such as a dinner at a fancy gala, for example, then the value of that benefit must be deducted from their gift. This can get complicated and, for the benefit of your donors and their welfare, should be avoided.

Again, we want to applaud all of the hard work that is going into making Erie Gives Day a successful experience for Erie's nonprofits. We also want to make sure that, as fundraisers, we understand and follow the body of principles that govern our work, and protect our organizations and donors.