



**Guide to Giving:
A Workbook *for*
St. Louis Area Businesses**

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Section I: Why Give?

Business owners tell us that corporate philanthropy – charitable giving directed by a business entity – is rewarding for everyone associated with the business. Here’s what they told us:

Giving is Good for the Community

Vibrant healthy communities have healthy networks of charitable and educational organizations supported by volunteer time and financial contributions of private citizens and businesses. When the local community suffers, businesses suffer—they have problems attracting and retaining employees and customers. Leaders understand that a high quality of life in the St. Louis region goes hand-in-hand with a healthy business environment.

Giving is Good for Business

Support for local causes helps businesses to develop positive images, reinforces relationships with customers, and provides opportunities to involve community leaders and officials.

Contributing to organizations is important for your employees to promote a positive work environment and build pride in the company’s role within the community. In addition, providing opportunities for employees to contribute, such as release time for volunteering or matching employees’ gifts to charity, attracts and helps retain employees. According to a national survey:

- 87% of employees at companies with cause marketing – marketing related to corporate contributions – feel a strong sense of loyalty to their employers.
- 90% of workers whose employers support a particular cause feel proud of their company’s values versus 56% of those whose employers are not committed to a cause.
- 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.

Giving Demonstrates Leadership

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

Giving is Personally Rewarding

It just feels good to see your contributions actively improving your neighborhood, particularly when the money supports a cause you know to be important. An inspiring art exhibit, a scholarship for someone who couldn’t go to college without it, a beautiful community garden, helping the homeless. Whatever your passion for giving, indulge it.

Section II: Where to Give

Give with Your Goals in Mind

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 the 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

Businesses use a variety of different criteria to decide how they will distribute their money (as well as time and in-kind contributions) for charitable purposes. The two most important criteria by which businesses decide where to distribute are:

1. The businesses’ reasons for giving
2. The businesses’ desired outcomes for the programs they sponsor

How Do You Want Your Money to be Used?

How do you want your money to be used: for ongoing operations of a charity, for specific projects of that charity, or for the creation of something tangible, such as equipment or a building?

Many small and mid-sized companies focus their giving programs on particular populations (such as local schools) or specific issues. Even after limiting the area of giving, contributions can fall into broad categories, health and human services, economic development, and the arts, for example. Focus your charitable giving on a particular area to make a greater impact with your dollars.

Desired Use of Your Funds

Following is a template to help you figure out what types of non-profits to emphasize in your giving:

Rank each reason listed in the left-most column according to its importance to you from one to six (six being the most important)

Goals for contributions from your business are to support organizations that...

A. Emphasize areas that link with my business interests (booksellers – literacy groups; fashion stores – women’s health; realtors – homeless)	
B. Align with my personal interests in issues	
C. Support our employees’ volunteer efforts	
D. Emphasize organizations and issues that are important to our customers	
E. Focus on issues that are of high priority in the community and have high community visibility	
F. Continue or expand our traditional giving	

After ranking the goals, choose the **top three goals** to guide your charitable contributions.

Once you have identified your goals for giving, consider the following:

- 1.) If aligning with your business' interests is a priority, ask local organizations such as the United Way of Greater St. Louis, Arts & Education Council of Greater St. Louis, Regional Arts Commission, Catholic Charities or the Jewish Federation of St. Louis for lists of organizations for examples of opportunities to give.
- 2.) If customers and/or employees are a priority, ask them what causes and organizations interest them.
- 3.) If community interests are your priority, ask local leaders what causes are critical.

If you have chosen (1) as one of your top three goals, turn to **Appendix A** in this workbook.

If you have chosen (2) 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 **Appendix B** of this workbook.

Now that you know the type(s) of organization you want to support, what types of projects do you want to fund?

- a) Capital projects: Building, expansion
- b) One-time projects: e.g., start-up of a new program
- c) Ongoing support
- d) Special events
- e) Blend of all four

_____ % For capital projects

_____ % For one time projects

_____ % For ongoing support

_____ % For special events

And, finally, how do you decide which specific organizations you want to fund?
Here are some alternatives:

- a) Ask for proposals from groups in the area you designated (be prepared to handle them)
- b) Hire a consultant to help you weed through the opportunities
- c) Assign one person in your company to investigate opportunities and make recommendations (the one-person responsible should also be part of an RFP or consultation process)
- d) See **Appendix F** for a list of examples of questions that funders frequently ask.

Section III: What to Give

There are a variety of ways in which a business can make a contribution.

- a) Cash
- b) Volunteer time: e.g., employee teams, loaned executives
- c) In-kind support: e.g., a product or service that your business provides, used equipment; surplus materials
- d) Matching grants to encourage community-wide giving
- e) Matching employee gifts
- f) A blend of the above

You will want to budget how much the business will contribute. Most businesses budget a pre-tax amount of one percent. However, you may also opt to give varying percentages, according to experience, or business prospects or giving opportunities.

Based on the answers above, do you want to specialize in one area of giving, limit contributions to a few organizations, or contribute smaller donations to more programs and projects?

Section IV: How to Give

It helps to have a system for considering charitable contributions, including 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.

Typically a business either identifies certain organizations that will receive annual contributions, responds to requests from the community, or does a combination of both. Following is a series of questions, along with options to consider, that may help you clarify how to give:

1. Who will make the decisions?

- a) The owner(s)
- b) The manager(s)
- c) 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

2. How often will you make decisions about contributions?
- a) Once a year
 - b) Twice a year
 - c) Quarterly
 - d) As needed, depending on frequency and number of requests
3. If you take requests from the community, from whom will you accept requests?
- a) Employees
 - b) Customers
 - c) Anyone in the community
4. Who will be responsible for collecting requests and ushering them through the consideration process?
- a) All requests should be directed to the owner
 - b) All requests should be directed to a specific manager
 - c) All requests should be directed to the chair of the contributions committee
5. Do you want to produce written criteria describing the kind of projects and programs your company supports?
6. How will you accept requests?
- a) In writing
 - b) Over the phone
 - c) In person
 - d) All of the above
7. Are there any types of organizations you will *not* fund? _____
-
-

Section V: Knowing You Made A Difference

Here is a brief checklist to help you determine the effectiveness of your giving:

- Determine how the money will be used
- Determine whether the organization can effectively accomplish its goals
 - Preparing a questionnaire for applicants and get their most recent financial statements and reports
 - Do an internet search to get information on the organization
 - Ask questions of the executive director and board members
 - Ask people who know the organization
- Find out how the organization knows that its work is important or needed
- How does this organization fit within your other goals?

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's time to contribute again.

Ask the question, "How will you know if you are successful?"

- 1) Did your contributions program meet your goals(s)?
- 2) Did the recipient organization use your contributions well?
- 3) What would you change if you could do it all over again?

Section VI: Appendixes

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| 1) Checklist of Community Issues | Appendix A |
| 2) Sample Employee or Customer Checklist | Appendix B |
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Appendix A: Checklist of Community Issues that May Align with Your Businesses' Interests

<p>People in crisis: who are out of work, need food, have no place to live, are victims of natural disaster, are victims of domestic abuse etc.</p>	<ul style="list-style-type: none"> • Local food banks • Homeless shelters • The Red Cross • Domestic violence shelters
<p>Promoting arts, culture, and other “enriching” institutions that contribute to a community’s quality of life.</p>	<ul style="list-style-type: none"> • Art and history museums • Religious and spiritual organizations • Performing arts groups
<p>Children and youth programs</p>	<ul style="list-style-type: none"> • Youth sports teams • Boys and Girls Clubs • After school programs • Mentoring programs • YMCA/YWCA
<p>Education for children and adults</p>	<ul style="list-style-type: none"> • Colleges and Universities • Local school projects • Scholarship funds
<p>Health promotion</p>	<ul style="list-style-type: none"> • Hospitals and clinics • American Cancer Society • Hospices • Local AIDS support organizations
<p>Environmental preservation and enhancement</p>	<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
<p>Civic/community</p>	<ul style="list-style-type: none"> • Downtown improvement projects • League of Women Voters • Neighborhood associations

Appendix B: Sample Employee or Customer Checklist

We at _____ are
(company name)

reviewing our 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 that are most important to you. If you know of a specific agency, program, or project in this category that you would like to see us support, 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, choirs, religious organizations, public gardens, etc.)

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

Children and youth programs

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

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

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

Appendix B: (continued) Sample Employee or Customer Checklist

- 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, AIDS support groups, etc.)

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

- Other causes or organizations:

Appendix C: Policy Worksheet

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

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

The primary goals of our giving program are:

- 1 _____
- 2 _____
- 3 _____

The issues we care about most are (from Appendix A and B)

- 1 _____
- 2 _____
- 3 _____

Our contributions should be used 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 and
_____% for lasting projects.

We want to:

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

Appendix D: Sample Policy Statement

The Venable Company

Established in 1981, the Venable Company works to promote the health and well-being of the communities where Venable’s clients and attorneys work and live. Our aim is to complement the pro bono and voluntary contributions of our attorneys with significant financial resources. In the best tradition of service, we believe that every attorney at Venable should have the opportunity to engage actively in bringing community needs to our attention and to supplement the Company’s work with their own individual contributions to that work.

The Company supports a wide range of civic, cultural, and charitable endeavors as well as public interest law and legal education, including:

- Regional hospitals and local chapters of national health organizations
- “Bridge” funding for disadvantaged families and individuals,
- Homeless shelters, community enrichment programs, social service centers, and food programs,
- Higher and continuing education programs, and
- Artistic and cultural events and organizations.

“An unwavering commitment to the welfare of the communities in which we live and work has been a hallmark of the firm.”

—Benjamin R. Civiletti, Chair, Venable, Baetjer and Howard

Appendix E: What About Taxes?

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

Following is a simplified summary of tax information. It does not cover all types of charitable giving.

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, the business's deductions are distributed among the owners.

Business structure	Who receives deduction	Allowable deduction
C Corporation	Corporation	Up to 10 percent of business's taxable income in the year of the donations. Contributions over 10 percent can be carried over for five years.
S Corporation	Individual owner(s)	Up to 50 percent 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 percent 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 percent 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 doesn't have an appropriate IRS designation, you will not be able to deduct your contribution.

Appendix E: (continued) What About Taxes?

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.

The chart summarizes IRS regulations. 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. (See example 1)	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 non profit publication	Yes, if ad is acknowledgement 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.* (See examples 2 and 3)	No.
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.

Appendix E: (continued) What About Taxes?

Example 1:

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 2:

As the owner of a clothing store, you donate a dress to an auction to benefit a nonprofit organization. The dress cost you \$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 3:

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.

Appendix F: Questions that Funders Frequently Ask

Charitable Request Form

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

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? Please be specific.

4. Why is this important?

Appendix F: (continued) Questions that Funders Frequently Ask

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.

Appendix G: 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 in which people choose a charity is through their personal volunteer work with an organization, or through the recommendations of friends. There are also a growing number of resources available which can help you find a charity that provides programs and services reflecting values similar to your own, research nonprofits working in areas of particular interest to you, and learn more about a particular nonprofit before making a giving decision.

National Resources

- Better Business Bureau's Wise Giving Alliance offers information about specific nationally soliciting charities and publications to help donors make their giving decisions. Note: this program is a merger of the former Philanthropic Advisory Service of the Better Business Bureau and the National Charities Information Bureau. **Contact:** 4200 Wilson Blvd., Suite 800, Arlington, VA 22203, Phone: 703-276-0100, Website: www.bbb.org
- GuideStar offers a database of more than 850,000 nonprofit organizations. You can get information about an organization's mission, goals, results, budget, staffing, and needs. Website: www.guidestar.org

Local Resources:

Arts and Education Council of St. Louis www.getart-stlouis.org

An arts fundraising and marketing company working in partnership with donors and the arts community to raise private money to support the arts and arts education activities of cultural organizations in greater St. Louis. Distributing funds to arts groups in 12 Missouri and Illinois counties.

Catholic Charities www.ccstl.org

Organized as a federation, Catholic Charities is comprised of 14 agencies. Race, creed and ethnic background play no role in determining who receives services.

Gateway To Giving www.gatewaytogiving.org

A comprehensive initiative designed to increase charitable giving in the St. Louis region. Creating a culture of giving in St. Louis that will earn St. Louis the reputation as one of the premiere philanthropic regions in the country. GTG is a

Appendix G: (continued) Resources for Giving

partnership of 16 organizations from the corporate, nonprofit and philanthropic sectors convened by the Metropolitan Association For Philanthropy.

Greater Saint Louis Community Foundation www.gstlcf.org

A driving force for philanthropy in the St. Louis region. Representing thousands of donors through nearly 250 separate funds that make up its endowment, and channeling much-needed resources to community organizations.

Jewish Federation of St. Louis www.jewishinstlouis.org

This organization is the central fundraising and planning agency for the Jewish community of St. Louis. It supports a local network of 26 agencies.

Metropolitan Association for Philanthropy www.mapstl.org

The regional association of grantmakers serving the St. Louis metropolitan area. Dedicated to strengthening and connecting philanthropic organizations to improve the St. Louis region.

Regional Arts Council www.art-stl.com

An organization formed to support and foster art and culture in the St. Louis City and County area and to contribute to the economic development of the area through a strong presence of the art.

Southern Illinois Charitable Giving Council

An organization serving the Southern Illinois region by promoting charitable gifts to public charities in the region. Seeking to lift up, celebrate and encourage philanthropy throughout Southern Illinois and serving as an educational resource about philanthropy to professional advisors, the public, private and nonprofit sectors.

United Way of Greater St. Louis www.stlunitedway.org

A local chapter of this national community service organization. Uniting people of diverse backgrounds and interests who work together to strengthen health and human services in Missouri and Illinois.

Section VII: Acknowledgements

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