Approaching companies for money or other support is still a relatively unknown task for many voluntary and community groups. Often groups do not know how corporate fundraising can work or how to approach it. Attracting money from companies does not mean that you should change what you do or how you do it. You may just have to ‘sell’ yourselves in a slightly different way.

During recent years, there has been a shift in corporate fundraising towards a partnership working approach. Whilst there are still lots of opportunities for Charity of the Year and other forms of donations from a company to a charity, more and more company/charity relationships flow in both directions, and are mutually beneficial to each party.

“Corporate” in this context means any private (or in some instances for in kind support, public and even voluntary) company. This could range from a FTSE100 company to the local corner shop.

Corporate fundraising and partnerships with corporate organisations can be very beneficial. As with all sorts of fundraising, we recommend that you take time to consider what you hope to achieve using corporate fundraising, and think strategically about how to get those results using the resources available to you.

**Why do companies support charities?**

There are various reasons why a company might choose to support a charity or community group. This includes but is not limited to:

- Generating goodwill (internally with their staff and externally with customers and other stakeholders)
- Attracting valuable media coverage and PR
- Marketing goods and services to specific audiences (i.e. the charity’s stakeholders)
- Reinforcing corporate brand or image
- Employee engagement and professional development
- Corporate Social Responsibility
- General philanthropy amongst decision makers

Companies often seek out causes that are most relevant to their business. This could be a geographical or a product link. For instance, an alarms company might support a crime reduction initiative.
Other companies support charities as part of their employee engagement work; asking staff to nominate charities to support or, for example, match funding sponsorship raised by their staff.

**The kind of help companies give**

**Gifts in kind** – companies will often give away some of their services, products, material or old office equipment such as furniture and computers. Some groups get free or subsidised office accommodation, photocopying or printing services from local companies.

**Advice and support** – you can sometimes get free specialist advice or services from local firms such as solicitors or accountants.

**Contacts in the business world** – the help of senior business leaders can be very influential in networking with and fundraising from others in the business world.

**Employee secondment/volunteering/trusteeship** – some companies will second staff to help local groups or organise for their staff to volunteer with your group for a fixed amount of time to carry out identified activities. Common examples of this include gardening, redecorating a space and fundraising activities (NB: larger charities and public sector organisations also offer their staff volunteering opportunities like this, not just private companies). Being a trustee provides company employees with excellent professional development opportunities, especially for people looking to move into management roles within their work, and charities with professional expertise that their charity might be lacking (for example in HR or finance).

**Money** – there are two main ways to get financial support from companies:

- **Donations** – the company donates cash to your group as a ‘good cause’. The company can get tax relief on these donations but gets nothing else in return for its money. Payroll Giving schemes allow employees to make donations through payroll. Donations are made before tax, so every £1 donation only costs the employee 80p (60p for higher rate earners).

- **Sponsorship** – this is one of the means to promote a company’s brand and reputation to the public, while helping a worthy ‘cause’. It differs from a donation in that the company gets – and expects – something in return for its support. This could be as small as a logo on a t-shirt or programme or as big as renaming a building (e.g. Virgin Money London Marathon). Sponsorship can be offered as money or in kind. For example, providing equipment, offering business expertise or seconding employees, are all types of sponsorship in kind. It is important that the group or project they choose to sponsor has a good reputation and that the association will enhance the company’s public image through:
  - **Increased brand awareness** – the public gets to know the sponsor’s name and logo and will hopefully choose the sponsor’s product or services rather than competitors.
Media coverage – sponsorship creates opportunities for name and/or logo of the sponsor to appear in the media.

Customer relations – sponsorship offers opportunities to invite clients to events (hospitality) and/or communicate with the customers through sponsorship publicity.

Employee relations – sponsorship programmes encourage company pride, increase loyalty and help recruit and retain quality staff. It also offers opportunities for employee involvement with the programme (secondment, attendance at events etc)

If you are seeking sponsorship, you need to be very clear about precisely what you are offering the company in return.

NB: If you are registered for VAT, sponsorship counts as trading income for VAT purposes. The company cannot claim tax concessions on a sponsorship deal even if you are a charity.

- Partnership – this is becoming a more popular way for charities and companies to work together. It is a more transactional relationship where the charity offers its services in return for financial or in-kind support. For example, a mental health charity might give “free” mental health first aid training to a company’s employees in return for a cash donation and one day of volunteering from the staff. From the charity's point of view, it is important to ensure that the value of what you are receiving from the partnership is more than the value of what you are giving, both financially and with regards to the staff time required to plan and deliver your contribution to the partnership.

How to identify potential corporate supporters or partners

When thinking about which companies to approach, it is important to remember that their main concern is to make a profit – not to give to charity. It is therefore very important to do your homework and approach companies who you think may be interested in your cause, for example because you know someone there, they are based in your area, or there is a link between what you do and their product or services.

A good first step is to talk to your trustees, staff and volunteers to a) find out who they or their family members work for and if or how those companies choose which charities to support b) make sure every member of staff, trustee and volunteer is able to and confident enough to give an 'elevator pitch' about your organisation. That way, everyone in your organisation could potentially start conversations that lead to corporate support.

Local magazines, Chambers of Commerce and even the telephone book are also good places to identify potential corporate supporters.

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1 [https://fundraising.co.uk/2008/12/24/how-good-your-elevator-pitch/#.XXoI4vlKi70](https://fundraising.co.uk/2008/12/24/how-good-your-elevator-pitch/#.XXoI4vlKi70)
How to approach companies?

Companies support voluntary and community groups for a variety of reasons. The more benefits you offer and the more creative you are, the more likely you are to succeed.

- Find out whom to approach by name – do not send circular letters addressed ‘Dear Sir/Madam’. Do some telephone research to find out who is responsible for charitable donations or sponsorship. This could be marketing or public relations, human resources (if you are offering a volunteering opportunity or training), the person with responsibility for community engagement or corporate social responsibility or even the Chief Executive.
- Have a clear offer. Your first interaction with the company might be to find out their current priorities are – this will enable you to create an offer that will help them achieve their priorities.
- If you write a letter or email it needs to be short and concise – one side of A4 preferably.
- It may take some time to get a response. Large companies or chains may have to get permission from a head office. If you have written initially, consider following up by phone after a few weeks and find out if there is a time scale on the decision making.
- If the company has a policy on giving to, or sponsoring, good causes, they may well plan, often a year or more. If you have missed the most recent opportunity, ask for dates of the next round so that you can plan it into your schedule.
- Be realistic in your expectations.
- Remember to say thank you if you do get help and acknowledge their support in whatever method you have agreed with them.
- If they say “no” ask for feedback and find out what type of “no” it is. It might be that your proposal isn’t quite right but would be accepted with some tweaks. If it’s a “no, not now”, ask when an appropriate time would be to contact them again. If it’s a “no, never”, ensure to remove them from your contact list.

Remember, you can say no too

Don’t be afraid to walk away from a potential partnership. After beginning negotiations with the company, you may find that they are asking for too much in return, that there is a conflict of interest or the company’s policies and ethics are not in line with your own. Any relationship with a corporate supporter should be of benefit to your organisation.

Agreements

If you are going into a partnership with a corporate supporter, it’s important that both partners understand what is required of them and how the partnership will be delivered. Agree a Memorandum of Understanding or Partnership Agreement with your corporate supporter which outlines what each partner can expect to receive and
deliver, how the partners will communicate and deal with any issues that arise. A communications plan could also form part of this document to help ensure that the partnership is promoted to the stakeholders of both organisations.

Signed sponsorship agreements may also be of benefit to avoid spending money on branded promotional materials or budgeting for an event that relies on the sponsorship for some expenditure (e.g. Brecon Carreg often sponsor running events, saving the organisers £100s on water) and then not receiving the money.

Useful resources

[www.bitc.org.uk](http://www.bitc.org.uk) – Business in the Community
[www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk) – Institute of Fundraising (including guidance on Corporate Fundraising and Refusing Gifts)
[www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) – check out a company
[www.yell.com](http://www.yell.com) – find a business
[www.britishchambers.org.uk/page/join-a-chamber](http://www.britishchambers.org.uk/page/join-a-chamber) - find your local Chambers of Commerce
[www.payrollgiving.co.uk/](http://www.payrollgiving.co.uk/) - Payroll Giving in Action


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