

The sponsor versus the donor: a right to visibility or recognition?

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The donor wants recognition and the sponsor, visibility. However, the difference between the two is easily confused. You have probably already experienced a situation where a donor wanted his/her donation to be treated as a sponsorship, and vice versa.

The golden rule: the donation is tax deductible whereas the sponsorship is attached to a service of

visibility and is tied to a business transaction.

The sponsorship implies an obligation for your organization. The sponsor provides funds or services for a determined activity and accepts to be tied to your organization for an event, an activity, a program that will in turn give them an image that the public will associate to a just cause. The sponsor therefore wants public recognition for its support to your organization. If you receive or treat a contribution as a sponsorship, you cannot provide an income tax receipt for this contribution.

The donation is a gift with no expectation of a measurable benefit to the donor. The law states that a contribution where the donor receives an advantage can still be considered a donation in certain circumstances and the donor can declare the admissible amount. This is the reason why a donor recognition policy is essential for the development of an organization receiving philanthropic revenues.

Donor Recognition Policy

The necessity to thank a donor for their generosity goes without saying, but thanking hundreds of donors requires an organized system – it's a question of volume and equity. Overly recognizing a small donor publicly, can seem unjust to larger donors.

The elaboration of a donor recognition policy is one of the most important tools in any fundraising program. It

will include two essential elements: a thank you on the one hand, and means of recognition on the other.

Thank you

After a contribution, the donor needs feed-back for three reasons:

- To know rather quickly that the gift has been received by the organization;
- To have the acknowledgement that the gift is being used for the destined purpose;
- To know that the project was a success thanks to the campaign to which the donor contributed.

Acknowledgements can take many forms – written or verbal. They will be established according to the level of the donation. We can also use many means to thank a donor for the same gift, and establish different levels of acknowledgement according to the size of the gift. Below is a list of the most frequent acknowledgement methods:

- Thank you card
- Thank you letter
- A telephone call to thank the donor for donation
- In person thank you

Recognition methods are authorized and planned in a donor recognition program.

Like the acknowledgements, the recognition methods can take many forms and be cumulated to form a program according to the different gift levels.

Here are a few examples:

- mention of gift in organization's publications;
- mention of gift on website;
- mention of gift on campaign donor wall;
- mention of gift in the media;
- photo of donor in organization's publications;
- photo of donor in media;
- dedication of a space or commemorative plaque in a strategic location;
- party for donors;
- souvenir for donors;
- creation of a special club for donors where they would be invited to participate in and become increasingly associated with the organization for the mutual benefit of the donor and the organization.

The closing ceremony for the **Fondation du Séminaire de Sherbrooke** was held September 26th, 2011. They raised \$4,022,521 on a \$2.5 million objective! This is the highest campaign result for a private francophone education institution in Quebec to date. The funds raised will help to support the school's dynamic projects. Congratulations to the entire team for the success of your campaign!



J'me donne... un nouveau complexe sportif à Lévis!



Le Juvénat Notre-Dame publicly launched its major fundraising campaign on October 11, 2011. Already \$738,000 has been raised on a \$1 million objective. The funds will be used to finance a sports complex and support the Fonds des Amis du Juvénat. Good luck to the entire team.

The major fundraising campaign for the **Fondation du Cégep de Rimouski** closed on October 3rd. Over \$2,317,806 was raised, surpassing its \$2 million objective, which is an unprecedented success for the foundation. The funds will help favour access to education and the implementation of innovative student projects. Congratulations!



La Fondation Cité de la Santé de Laval held its closing ceremony for the major fundraising campaign on October 7th. Over \$25,059,389 was raised on a \$25 million objective! This is the biggest fundraising campaign ever implemented for the City of Laval and surrounding area. The money raised will help support the activities of the health and social services centre (CSSS) of Laval. Congratulations on the success of your campaign!

Le Petit Séminaire de Québec began its major fundraising campaign last March, and has raised its objective from \$2 million to \$3.5 million - and has raised \$2.6 million to date. Recently, the Seigneurie de Beupré Wind Farms donated \$100,000 to the campaign. With the funds already raised, the Petit Séminaire has contributed to the development of a synthetic soccer field of Patro Roc-Amadour. The monies raised during the campaign will help finance projects totalling \$8.1 million, for which the Government of Quebec has pledged a \$3.7 million contribution. Congratulations to a great beginning!



BNP Strategies Nominations

Michel Poulin will join our team in January 2012 as Partner, Vice-President.

Michel Saint-Laurent is the new Director of Development for Alumni & Graduate Networks.

Viviane Crevier has joined our team as Philanthropic Management Consultant.

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