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OFF-THE-SHELF INSTRUMENT

Corporate donations

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Executive summary

Donations or grants through Corporate Philanthropy¹ are one of the easiest ways for non-profit organisations to fund themselves or their projects (including nature restoration projects). According to the European Fundraising Association, 21.7 billion euros were donated by corporations in Europe in 2019.

For simplicity, when used in this report “corporate” refers to companies, foundations, private associations, and other private organisations.

Corporate (or Foundation, Private Association, etc.) Philanthropy refers to the investments and activities a company voluntarily undertakes to responsibly manage or mitigate its impact on society.

It is important to distinguish between Corporate Philanthropy and Corporate Social Responsibility.

Corporate Social Responsibility (CSR) and Corporate Philanthropy are both approaches taken by businesses to contribute to societal and community well-being, but they have distinct differences.

Corporate Social Responsibility (CSR) refers to a broad approach in which a company integrates social and environmental concerns into its business operations and strategies. It encompasses a range of activities that go beyond philanthropy, including ethical business practices, environmental sustainability, employee well-being, stakeholder engagement, and community involvement.

Corporate Philanthropy focuses specifically on charitable giving and donations made by a company to support social causes, non-profits, or community organisations.

In terms of impact and stakeholder engagement, CSR aims to have a broader and more systemic impact on society. It involves engaging with multiple stakeholders such as employees, customers, suppliers, local communities, and government entities to address social and environmental challenges, promote

sustainable development, and create shared value. Corporate Philanthropy primarily focuses on providing financial support to address immediate social needs or specific causes. It often involves partnerships with non-profit organisations and may have a more targeted and localised impact.

It’s important to note that CSR and Corporate Philanthropy are not mutually exclusive, and many companies incorporate both approaches in their efforts to contribute to society.

Usually, the organisations seeking funds approach corporate donors to obtain the funding, either by directly contacting corporations or applying for their programmes. Besides, donations may not be made only through money, but also through in-kind donation, like lending machinery or a volunteer workforce for a given period of time.

It should be noted that obtaining a donation is not as simple as just sending an email with the bank account number in it and waiting for the money to appear. It is, rather, a good match of the agendas and missions of the donor and the grantee in a win-win situation. Many corporate donation programmes have a list of requirements. **Companies tend to donate to projects or institutions with which they have some sort of connection, e.g. a common purpose, an operational relationship, or tax-related economic interests.**

Overall, the wide range of programmes available, as well as the simple application process and the few obligations that this type of financial instrument entails, make corporate donations an attractive tool for financing nature restoration projects. Naturally,

restoration projects can benefit hugely from corporate donations. Despite technical differences between a corporate grant and a corporate donation—that will be explained in detail in this report—for simplicity, the term “corporate donation” will be used throughout the text to mean a corporate donation or corporate grant, except when both concepts are referred to separately.

Through this report, readers will be able to understand how this mechanism works and how it can be implemented for nature projects, including nature restoration projects. **While nature restoration project managers usually think of financial donation when approaching corporations, it is clear from this report that in-kind donations can have a much bigger impact in the market due to being easier to implement and more able to involve the local stakeholders. In-kind donations are clearly an untapped opportunity for nature restoration projects.**

This report will start by identifying the potential beneficiaries of this instrument (corporate donations), then will explain how the instrument works and the expected time needed to implement it.

It will then cover the expected set-up and operational costs, and what prerequisites are necessary to have in place to apply for corporate donations.

In the last part of this report, the main players in the market will be identified, and several tips on how to implement a corporate donation campaign will be mentioned along with the main KPIs (Key Performance Indicators). This report will end with an example of a successful case study.

If you have questions about any terminology used, please visit the Glossary at the end of this report.

We sincerely hope that you find this report interesting and useful for your nature restoration activities.

¹ Corporate Philanthropy – the investments and activities a company voluntarily undertakes to responsibly manage or mitigate its impact on society.

Good luck!

Aim of the instrument

The impact of donations and volunteering for non-profits can be drastically increased with the help of corporate programmes, either by increasing the available budget for nature restoration projects or by providing a greater reach to those projects.

Indeed, an advantage of financing nature restoration projects through donations is the possibility of **receiving necessary resources without the obligation to return them** to the donors, as would happen with a bank loan. Additionally, the donation process is focused on engaging the most people possible, either corporate employees or community contributors, to promote the success and expansion of nature restoration projects. Corporate donations may also be a great tool for **raising awareness**, not only about the donor (though some prefer to be anonymous) but also for the project itself.



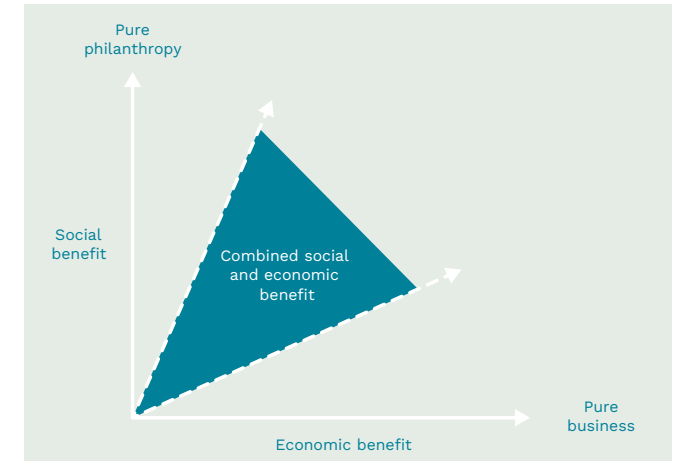
Potential beneficiaries

Every project is entitled to receive a donation, corporate gift, corporate sponsorship, or in-kind corporate donation. It does not matter whether the receiver is a legal entity or an informal group of people; all of them have the right to be a recipient of backing. Moreover, the list of donation purposes is large, and nature restoration projects can be found among them. One recent example of corporate donation is that of Revere,¹ a nature restoration project development facility funded by companies including Santander UK, Gatwick Airport, and The Estée Lauder Companies. This is a good example to show that it is possible to engage multiple large corporations in the same goal to restore nature.

However, corporations do not exist to give money away, and donation seekers should keep that in mind when trying to apply for a donation. It should be noted

that a corporation's donation, regardless of operating activities, is usually closely related to their business interests or their owners' vision, and consequently, their giving programmes will be mostly designed to support their accounting, employees, and families, or the communities where the company executes its business.

Both donation recipients and corporate donors can benefit through a convergence of interests as shown in the graph below. The organisation receives funding (including in-kind contributions) and social awareness, while the corporation generates social benefits and business advantages through tax deductions and knowledge acquisition, as well as improving its reputation by showcasing its corporate values and commitment with regards to social and environmental issues.



The competitive advantage of corporate philanthropy after Michael E. Porter and Mark R. Kramer

¹ <https://revere.eco/revere-an-innovative-nature-restoration-facility-launches-at-uk-conference-with-funding-from-major-global-companies/>

How does it work?

Corporate Philanthropy manifests in a variety of ways, including monetary donations, in-kind donations, sponsorships, and cause-related marketing. In most cases, businesses distribute grants in one of three ways (some companies use all):

→ **Corporate giving programmes**

→ **Company-sponsored foundations**

→ **Ad-hoc requests from organisations**

Some usual corporate giving programmes include matching gifts, volunteer grants, in-kind donations, and corporate grants, whereas foundations' giving programmes include foundation and challenge grants.¹

Matching gifts are a type of philanthropy involving companies that financially multiply donations which their employees make to non-profit organisations. That is, when any employee makes a donation, they request the matching gift from their employer, who will then make their own donation. It is common that corporations match donations at a 1:1 ratio, but some will match at a 2:1, 3:1, or even a 4:1 ratio. As an example, the BP Foundation helps communities through support after natural disasters, humanitarian relief efforts, and through financial support of the BP Foundation Employee Matching Fund. In 2020, the Foundation delivered matching gifts of more than EUR 3 million to charitable organisations worldwide, along with more than 30,000 volunteer hours.

Tip for those seeking to access specific corporate giving programmes: Rather than going directly to top management, consider first engaging employees of those corporations, who may then put pressure on management. →



¹ Further information about corporate giving programmes and foundations: <https://learning.candid.org/resources/knowledge-base/corporate-giving/>

→ Apart from variation in the way that corporations might distribute their donations, there are three kind of donations that they are likely to provide:

- **Money** – Corporations make a transfer of money to selected organisations without requiring repayment. Donation amounts will vary from corporation to corporation in view of their interest towards the cause and their financial situation.
- **Temporary resources** – Companies can make certain resources available to organisations. This can include everything from products and personnel to services. A company can allocate its vehicles or other machinery, including skilled workers for their use, to organisations for a period of time. In addition, it can offer its services, such as its marketing team, to help organise a cause-related marketing campaign.
- **Materials** – Companies can also donate part of their resources and products permanently. That is, instead of transferring money to the organisations, they can donate surplus materials such as cement, wood, paint, or machinery.

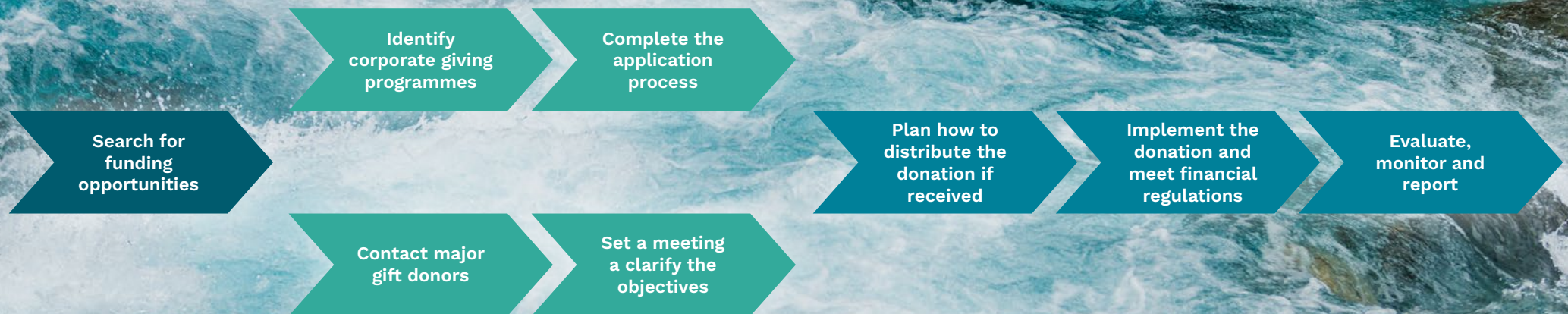
Thus, it is important to bear in mind that donations may not always include money. **In-kind donations** are also welcome. Indeed, these types of donations can be valuable if donated items are useful to the organisation's mission, such as specialised machinery useful for carrying out a nature restoration project. Corporations can support non-profit projects by providing programmes and activities at a reduced cost, as well as giving access to goods and services that would otherwise be unaffordable. In many cases, in-kind donations can be used as a matching mechanism with grants as well.

The donation will be unlikely to happen if the promoter of the restoration project does not make a move to engage the corporation with its cause. There are many ways of engaging parties with a cause, but for the purpose of receiving donations, the most suitable option would involve setting up a donation campaign. If you are considering targeting individuals, we suggest you read our other two reports: Reward-Based Crowdfunding and Donation-Based Crowdfunding.

A campaign targeting corporations must include:

- Corporation-directed campaign marketing
- Setting a minimum donation amount
- Eventual rewards for donor corporations (such as a thank you post on social media)
- Contacting potential interested corporations via email or telephone

While the process of receiving a donation is not complex, it may take a long time before achieving the targeted funding, despite the existence of donors that make quick decisions. As shown in the following graph, several tasks must be completed in order for this instrument to work.



Pros and cons of corporate donations

The table below shows some pros and cons of this instrument for the organisations seeking funding.

Advantages of corporate donations (Pros)

- Free funding without the need to return what was donated
- Raise awareness about the cause
- Word-of-mouth publicity
- Reduce costs of the projects due to the use of resources
- Connecting with new possible partners

Drawbacks of corporate donations (Cons)

- Uncertain amount of donation
- Corporate decision process may take months or even years
- Donations restricted to very specific causes
- Corporate interests in play
- Potential bad reputation of donors could affect the project



Corporate giving programmes

It is important to differentiate between donations and grants, as while many people consider these to be the same, in reality they are different. When approaching a corporation, organisations must communicate clearly whether they are looking for a grant or a donation. In the table below you can find the main differences between a grant and a donation.

Corporate grant	Corporate donation
Given according to selection criteria and defined rules	Selection criteria are not always defined
Decision dependent on a process defined in the call for applications	Can be given ad-hoc. Usually there is not a call for applications
Application process needs to be followed	There may not be a standard application process

Sometimes, corporations may announce donation programmes in which interested parties can compete to obtain the donation. In this case, organisations must prepare and submit an application to be in the pool of applicants. If selected, it is possible to receive a generous amount of money. What’s more, once one grant has been obtained, it becomes more likely to receive other grants in the future from the donor or other donors. **Awarding grants is a good way to build an organisation’s visibility and credibility with the donor(s) and receiving organisation(s).**

A synopsis of corporate giving programmes in the following table¹ shows the fundraising potential of each of the possible activities:

Types of corporate giving program	Fundraising potential
Matching gifts	€€€
Volunteer donations/grants	€€€
Fundraising matches	€€
In-kind donations/grants	€€
Volunteer support programmes	€
Automatic payroll deductions	€
Internal employee fundraising	€
Employee product donations	€

¹ The Smart Nonprofit Fundraising Guide (20+ Money-Making Methods). (2022, January 25). Double the Donation.
<https://doublethedonation.com/tips/nonprofit-fundraising/#corporate>



Expected time to implement

The time needed for implementing a donation campaign is linked to the planning phase. It may take a long time to define each of the goals, the budget of the campaign, and even to find the members of the team to lead the process. Then, it is up to the organiser to set the deadline for the campaign.

As a result, the whole **process of asking directly for donations could last from 4 months to a year**. For a start, the phase of preparing and detailing all the information and objectives alone could take from 1 to 6 months. Moreover, implementing it could take from 3 to 6 months. This phase involves contacting major donors, presenting the nature restoration project and its objectives, and, if selected, signing agreements. It is crucial to clearly specify every single detail to the corporations, which may make this process costly in time.

On the contrary, the process of applying to corporate giving programmes could take only a few months to complete from application to the award, depending on the selection method chosen by the donating company. While shorter, this process should also be taken very seriously by the applicant.

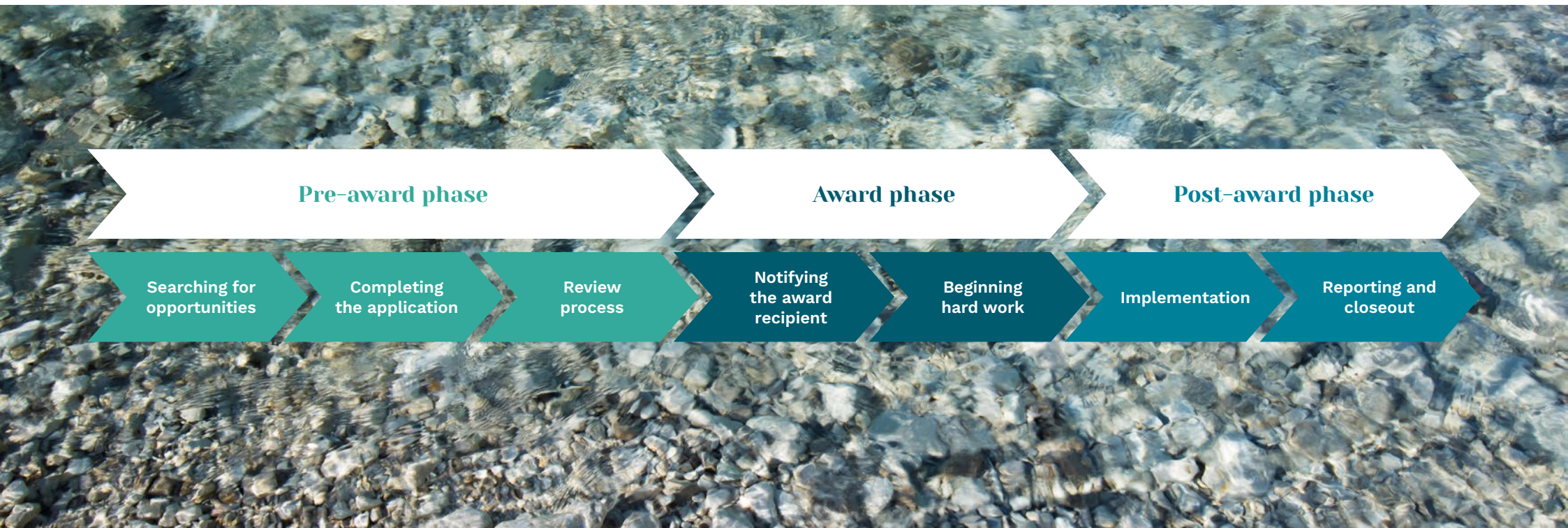
The process follows a linear lifecycle, involving a pre-award phase (applying), the award phase, and the post-award phase (successfully implementing the award).

Through the **Pre-award phase¹**, potential applicants should search for funding opportunities for which they are eligible and share interests and missions with the granting corporation. When a possibility is found, the application should be completed, which may take weeks due to administrative tasks.

During the **Award phase**, if selected, the applicant will receive a “Notice of Award” and the grant will be transferred. The admission period could take weeks or months.

In the **Post-award phase**, the recipient will make use of the grant as best fits its purpose, and according to what was promised to the donor. It will also have to report the process to the corporation, including financial reporting and programmatic reporting.

¹ Complete information of the granting process, including obligations: <https://www.grants.gov/learn-grants/grants-101/grant-lifecycle.html>



Set-up and operational costs

The costs of using this type of instrument will vary depending on how the donation campaign has been designed. If the campaign is to be implemented by creating a web page (autonomously or through a donation platform) which corporations may use to make donations, the monetary cost of setting it up is virtually nonexistent.

Independently of whether the campaign is based on a web page or not, it always involves costs in time and effort. Procedures, goals, and marketing materials should be detailed before, during, and at the end of the donation campaign, potentially involving several working teams.

On the other hand, if an event is organised to raise awareness of the issue and seek bigger donations, whether it is to be a huge or small event, the cost of setting up the instrument would include the time and effort costs of organising and hosting the event. Indeed, the event should be entertaining, exciting, and goal-directed to attract as many people as possible, as well as a larger number of donors. To achieve this purpose, the events could include a range of attractions including concerts, shows, games, food, and drinks... all of which have a cost to be borne by the organiser. As a result, the organiser must optimise the costs to attract the most donations possible without the cost of the event exceeding the amount raised. Of course, aspects of the event itself can be donated by different entities, such as the venue landlord, sound and lighting service providers, or artists.

For the campaign to be successful, it should have a clear **marketing programme**. The marketing should attract followers dedicated to the project's objective, so that, apart from attending the event themselves, they can communicate it to their close circle or through their social media reach, so that the word spreads.

This marketing campaign, which must include essential information about the event and the cause, can use

various media, such as public relations, sales, social networks, television, or newspaper. The cost depends on the channels used and the frequency of the ads. However, the donations could come in the form of **"Cause-Related Marketing"**¹, in which corporations and organisations collaborate for the common purpose of the event, the costs being borne by the corporation (in-kind contribution).

The following table shows the costs of posting ads through different channels, including Facebook², TV³, and newspapers⁴ (the last two estimates based on Spanish media outlets). Costs are per each impression.

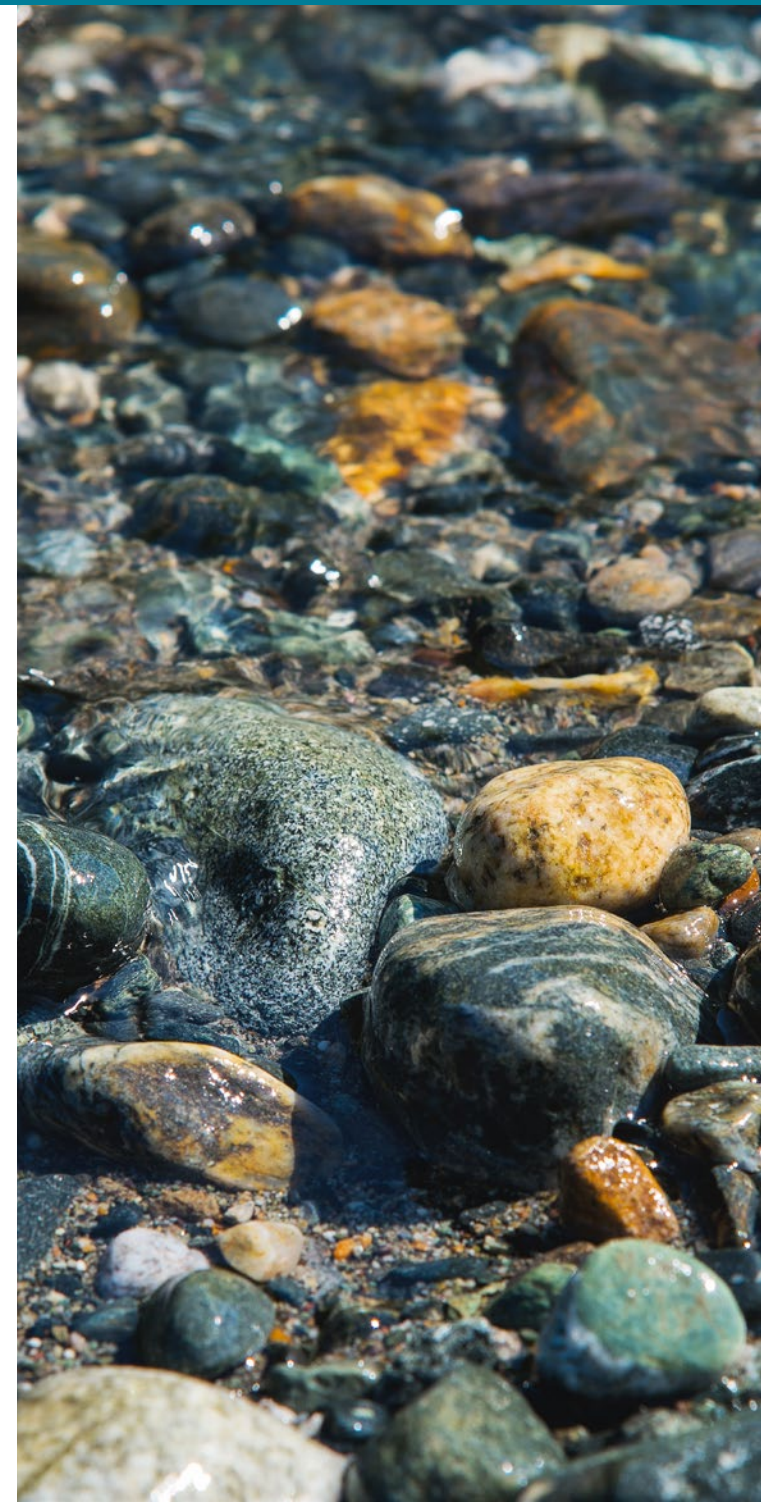
Facebook 	\$ 0.32 in the news section (newsfeed) \$ 0.05 in apps using Facebook technology (not Instagram) \$ 0.19 in the mobile news section \$ 0.32 in the right column
TV 	€ 500 at 9 a.m. € 5,500 at 5 p.m. € 10,000 at 9 p.m.
National newspapers 	1 Page – between € 15,000 and € 40,000 1/2 Page – between € 9,000 and € 26,000

¹ Examples of Cause-Related Marketing: <https://topnonprofits.com/6-examples-of-cause-marketing-activities/>

² <https://www.dosmedia.com/precio-publicidad-redes-sociales/>

³ <https://www.visualservice.es/publicidad-en-television-cuanto-cuesta/>

⁴ https://www.oblicua.es/publicidad/publicidad_en_prensa.html



→ In addition, the cost of implementation requires more than marketing costs, involving legal, bank, tax, and platform costs, among others. These costs are summarised in the following table:

Main implementing costs		
Source	Description	Amount
Marketing costs⁵	Expenses associated with promoting the nature restoration project and the campaign.	Usually between 5% and 15% of the total budget of the donation campaign.
Platform costs⁶	Costs linked to the collection of the donations through the platform, i.e. these only exist if the campaign raises money.	Typically, the cost of the platform's commission is 5% of the funds raised and the cost of the payment system (which can be systems such as PayPal, Stripe, or a bank's virtual Point of Sale) is between 2% and 4% of the donated sum.
Legal costs⁷	These include attorney costs linked to the task of completion of a deed of gift, a signed legal document that verifies the donation.	This varies a lot, but usually organisations have among their members attorneys that do this work for free.
Tax costs⁸	The sum of tax obligations regarding the donation received. The base is calculated after all the expenses are deducted.	Each country has its own gift tax, but this usually ranges from 7.65% (less than 8,000 euros) to 34% for amounts over 200,000 euros, also depending on the state or region of each country. Some NGOs may be exempt from taxes.
Consulting costs⁹	Costs of hiring a consulting firm that will support the organisation during management, accounting, and reporting tasks.	In the UK, the average price of hiring a business consultant averages 75 EUR/hour, ranging from 45 EUR to 150 EUR/hour. In many cases consultants can be paid by success fee, without upfront retainers.

According to sources including the Association of Fundraising Professionals, a capital campaign costs from 0.05€ to 0.1€ to raise 1€, whereas donations through corporations and foundations costs on average 0.2€ to raise 1€. Besides, the cost of processing online donations ranges from 3% to 7.5% of the amount of each gift.

Platform costs are one of the major costs for donation campaigns. Because of that, it is crucial to properly choose the best option for the organisation. The following table illustrates some of the different platforms and their fees in the UK.¹⁰

Platform	Set-up fees	Donation fees	Gift aid fees	Donor tips
KindLink	£ 1.50/monthly 10p/weekly pay-out	1.45% + 14p (UK/UE cards)	No	No
The Big Give	No	15% + 20p	No	12.5% optional
Virgin Money Giving	£ 150 set-up fee	4.5% (2% platform + 2.5% processing)	No	4.5% optional
The Good Exchange	No	5%	No	5%
Just-Giving	£ 15/mth, £ 39/mth if you raise over £ 15k/yr	1.9% + 20p	5%	15% optional

With regards to corporate granting programmes, applying for and receiving grants does not involve monetary costs; instead, it takes time and effort costs. The costs are based on the hard work behind the application process, since it will take time to find the most suitable offerings for the non-profit. Apart from that, the administrative and bureaucratic processes will be tough. The application process requires submitting many documents; the application should be well-written; and, if selected, there are many legal, financial, and administrative processes to be completed.

⁵ <https://prosper-strategies.com/nonprofit-marketing-budget-part-one/>

⁶ <https://vanacco.com/articulo/costes-crowdfunding/>

⁷ <http://notarialuisprados.com/el-coste-de-una-escritura-de-donacion/>

⁸ <https://ayudaenaccion.org/blog/solidaridad/impuesto-sucesiones-donaciones/>

⁹ <https://www.embroker.com/blog/how-much-to-charge-as-a-consultant/>

¹⁰ Green, E. (2021, May 31). The best online fundraising platforms for UK charities. Wonderful.Org | <https://blog.wonderful.org/the-best-fundraising-platforms-for-uk-charities-in-2021/>

Prerequisites to implement

One important aspect in the corporate donors' world is the concept of corporate purpose. It refers to the reason or objective for which a corporation exists and operates. Corporate purpose can vary depending on the specific company and its values, but it often includes considerations such as providing quality products or services to customers, fostering employee well-being, contributing to the community, helping to save animal species, and promoting environmental sustainability.

The requirements to which an organisation willing to receive donations must comply vary country to country, but in many countries being an authorised donation recipient is required. In some countries this requirement is linked with the tax benefits that donors will receive so that the tax authorities can prevent abuses by corporations. Some criteria that apply to organisations willing to receive donations in some countries are:

- **To exclusively carry out the activity of its corporate purpose.** Non-profit entities must exclusively carry out the activity of their corporate purpose in order to be considered as institutions authorised to receive donations that may be tax-deductible by the donors.
- **The activity of its corporate purpose must be an eligible activity.** That is to say, the institutions authorised to receive donations will have to carry out only activities allowed by national law.
- **To use its assets exclusively for its corporate purpose.** Non-profit entities must use their assets exclusively for their corporate purpose.
- **Donations require written acknowledgement.** In some countries, a written acknowledgement of the donation is required for the corporate donors to be able to deduct charitable donations. The acknowledgement must include the name of the charity, the amount or value of the donation, and information about

the goods or services received in exchange for the donation, in order to avoid abuses (trading transaction versus a real donation).

- **The corporate purpose is defined in the authorization document issued by the authority.** The authorised corporate purpose corresponds to the activity that the tax authority authorised, which is usually also part of the articles of association of the entity receiving the funds. The corresponding authorization document indicates the activity.
- **They can establish different activities, but only without lucrative purposes.** This is the respective bylaws or trust agreement.

Before implementing a corporate donation campaign, it is important to have the project outlined, the legal aspects sorted out, its governance clearly mentioned, and the outputs of the project identified.



Players in the market

When seeking corporate donations, don't be disheartened if your organization lacks internal expertise or resources for preparing and presenting requests. Many organizations have internal departments or knowledge in this area, but if yours doesn't, consider hiring consultants to assist you in your efforts. Even though hiring a consultant may imply some extra and costly work, donation consultants bring valuable expertise and refreshing outside perspectives that can help you plan and implement your campaign. Indeed, ideally it involves collaborating with someone able to understand the goal, fulfil the needs for a successful donation campaign, and get along well with the existing staff as well as interact well with the donors, among other tasks. A consultant may also help to determine the needs, do the research, contact top donors, and make the requests and applications for grants.

The tables below list a set of corporations that have established donations programmes through annual giving, grants, event support, volunteer grants, or matching gifts.

Some of **European corporate donors** to whom you can send your application:

Donors ¹	
AIG Europe Limited	aig.co.uk/business-insurance
Barclays Bank	barclays.co.uk
Boeing	boeing.com
KPMG	home.kpmg/xx/en/home.html
Morgan Stanley	morganstanley.com
Ford	corporate.ford.com
J.P. Morgan	jpmorgan.com/ES/en/about-us

Some of the existing **consulting companies** that can help you to create a successful donation campaign:

Fundraising consulting firms ²	
Craigmyle Fundraising Consultants	craigmyle.org.uk
Charity Fundraising Ltd	charity-fundraising.org.uk
Stefan Lipa Fundraising Consultancy	stefanlipa.co.uk
IFC Fundraising Consultancy	groupifc.com
Gifted Philanthropy	giftedphilanthropy.com
Compton	comptonfundraising.com
Philanthropy Company	philanthropycompany.com

Some of the main **donation platforms** that you may consider using for your campaign:

Donation platforms	
KindLink	kindlink.com
Wonderful.org	wonderful.org
JustGiving	justgiving.com
Givey	givey.com
Enthuse	enthuse.com
Localgiving	localgiving.org
The Big Give	donate.thebiggive.org.uk
TotalGiving	totalgiving.co.uk
The Good Exchange	thegoodexchange.com

¹ List of European Corporate Donors: www.cer.org.uk/corporate-donors

² List of consulting agencies: http://afc.org.uk/fundraising%20consultants/?gclid=CjwKCAiA1JGRBhBSEiwAxXblwecLuxcPyUBsfm8zb7z1aBPR9RBK3mLnKUNxEUU7-9g-3hoV5YVJxoCpfEQAvD_BwE



How to implement a donation campaign

In case you have not read the section **How do corporate donations work?**, we recommend you read it before reading this section. While donation campaigns differ one from another in a wide range of aspects, such as the deadline, purpose, and amount of funds needed, there are common features that need to be taken into account to successfully implement the campaign. For a start, there should be a planning phase, where important details relating to the campaign should be specified.

While donations through corporate giving programmes just involve a request via a platform, the campaign needs to be carefully planned out before it begins fundraising in order to ensure that the implementation process goes as smoothly as possible. Without a thorough plan in place, the team may not successfully anticipate issues before they arise and may realise too late that the fundraising strategy needs revision.

There are many features that should be planned before starting the campaign, such as the deadline, the team,

the financial goal, and the method to be used. Then, the non-profit can start raising money through events in which attendants, including corporation representatives, could make generous donations; or even online, by creating a web page parties could make use of at any time to donate a desired quantity.

In case you want to know more details about the features that should be planned before starting a donation campaign, we recommend you visit the website of Double the Donation.

After the planning phase is completed, the implementation of the campaign should start. However, it is essential to differentiate between two phases within the implementation process:

→ **The Quiet Phase** – During this phase, the campaign will be directed towards major potential donors. The committee members will reach out to large corporate partners to solicit large donations. Indeed, 50–70% is usually raised during the quiet phase.

→ **The Public Phase** – This represents the phase in which the campaign goes public, through a kick-off event or mass marketing. In this phase, when more corporations are attracted, donors will be able to donate whatever amount they wish. It will still be possible to ask for major donations, but the focus should be on broad marketing to as many corporate donors as possible.

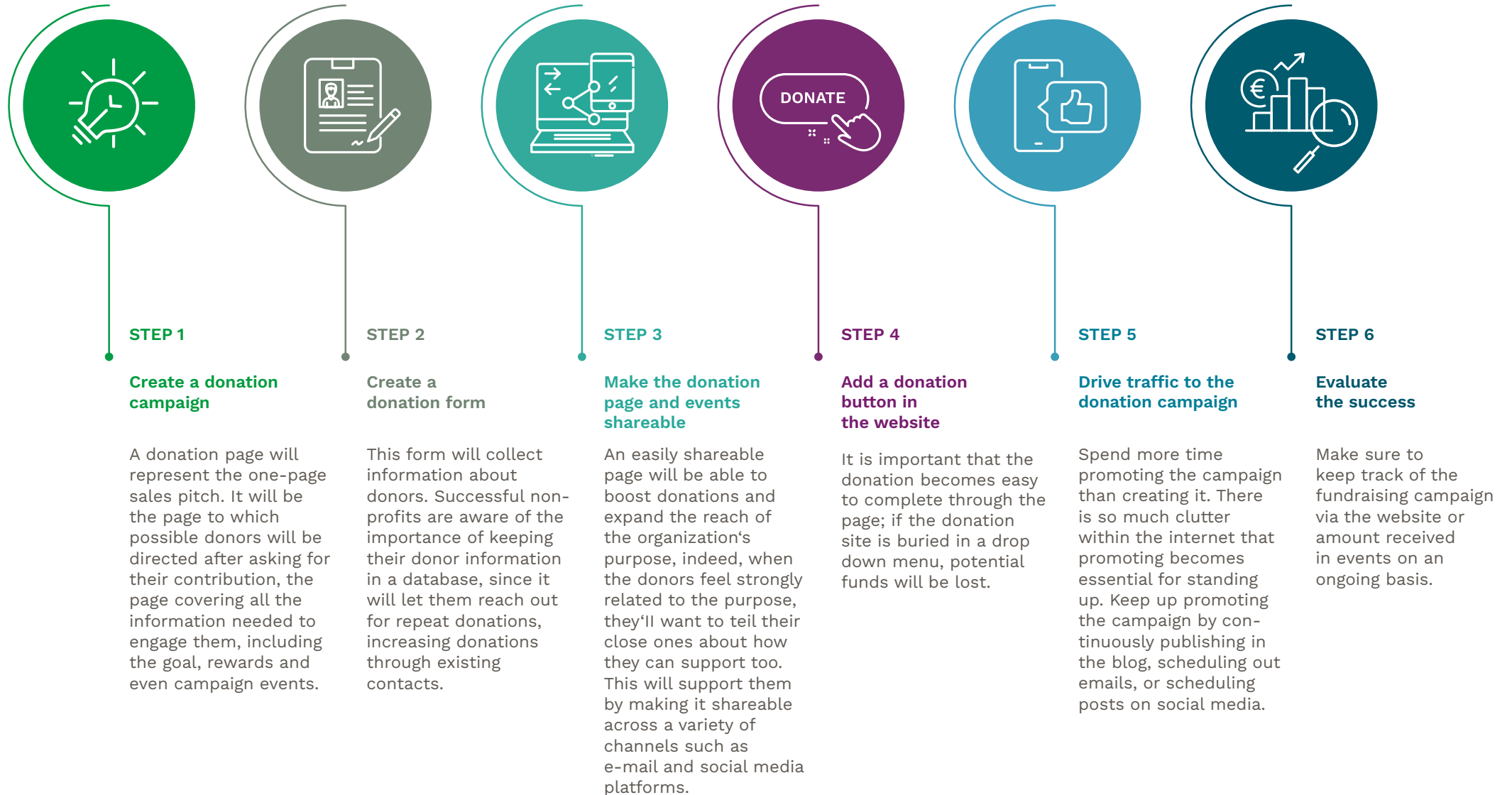
The implementing process should follow a series of steps which must be carefully monitored and completed! *See infographic on next page →*

Brand ambassadors can also be a crucial tool. Using their reach is like a booster for the campaign. It is clear that many people look to famous people for modelling their behaviour. This effect, however, affects not only individuals, but also corporations; corporations adapt to changing trends and adopt new behaviours. Involving brand ambassadors in the donation campaign may also attract new corporate donors.

1 <https://www.wildapricot.com/blog/how-to-create-a-donation-website#here-are-the-7-steps-to-create-a-donation-website>



6 steps to implement a donation campaign



Best practices

Best practices include attitudes that organisations should follow when implementing a corporate donation campaign.

Top 5 best practices



Set realistic and achievable goals

Work with an experienced consultancy firm

Identify the target audience clearly, with names and contacts

Link donations with impact for the donors (marketing, knowledge, tax incentives, etc.)

Educate fundraisers

For a donation campaign to be successful, as said, many features should be considered before its start. With regard to the financial goal, it should be realistic and achievable. There was a case in September 2021 in which a group of nine philanthropic foundations made the largest ever donation to nature conservation,¹ pledging \$5 bn (approx. 4.5 billion EUR) to finance the protection of 30% of the world's land and sea by the end of the decade. Donations do not have limits—you can dream big—but you can never lose your head by setting exorbitant goals and overreaching to achieve them. →

¹ <https://www.theguardian.com/environment/2021/sep/29/record-5bn-donation-to-protect-nature-could-herald-new-green-era-of-giving-aoc>



→ Setting the budget is also a crucial task. Taking as an example a case in Tunisia, they aimed to restore the Bizerte Lake², setting a clear budget. The institutions involved—the Tunisian government, the European Investment Bank, the European Bank for Reconstruction and Development, and the European Union—planned to invest EUR 90 million from the start of the project until its completion in 2020. All stakeholders understood the clear budget. Good communication is achieved when targets are clear.

In case you have difficulties defining a clear budget (including the fundraising costs), it would be advisable to contact a consultancy firm. Apart from the fact that consultants can provide assistance from the very beginning of the project by executing a feasibility study, their previous experience in environmental projects and their services in campaign management and accounting can provide increased value when implementing the project.

Indeed, tax payments tend to be a puzzle for most taxpayers; it is often a difficult task to work out when to pay and when not to pay. If located in the UK, donations are tax-free, and tax relief can be obtained if donations are made through Gift aid³ or straight from Payroll giving⁴.

In the case of donations through Gift aid, potential receivers can register with HM Revenue and Customs (HMRC) to be part of the Gift aid scheme. When registered, they can claim back the tax paid on donations.

Creating an engaging video is a good practice to implement. Levi's campaign is a clear example. In April 2021, the fashion brand released a campaign to showcase its commitment to create a sustainable future. In order to get more attention, the campaign was launched on Earth Day. By means of the “Buy Better, Wear Longer”⁵ campaign, apart from promoting the brand's sustainability credentials, Levi's was able to direct donations to eco-charities⁶.

Nevertheless, the campaign usually has many features that should be faced by the donation recipient itself. As seen in the following illustration, those features placed at the top of the pyramid are based on finding a better approach to the campaign. They can be understood as the most important tasks, as they imply a deeper and more successful implementation in relation to a higher visualisation of the cause and the campaign. Targeting local or European companies that support restoration projects should be one of the first steps to implement. Properly understanding the limits of the funding probabilities per company will also increase the odds of success.

Another best practice is to create monthly donations instead of annual donations. We have mentioned that the lifetime revenue of these monthly supporters is 600–800% higher than annual donors, and a monthly donation schedule also increased donor retention. The reason is that people prefer to give smaller amounts rather than big amounts, but smaller amounts multiplied by 12 or more months may exceed what corporations would donate at one time. Oftentimes the budget of a corporation for a specific year is very low, but with a monthly donation the corporation will draw from the next year's budget as well. Telling a story and creating the urgency to donate also may make the donor feel more responsible for the goal and increase the probability of donation.

Finally, the features placed on the lower side of the pyramid involve cordialities with the corporate donors that will support the restoration project. It is important for the organisers to feel that their attempts to get donations do not bother anyone, but flatter instead. The donation amount page must show for which purpose the donation will be used, and the “thank you” page, together with celebration of success with the donors, will make them feel they are part of the success.



Best practices pyramid

² https://elpais.com/elpais/2017/01/03/planeta_futuro/1483453260_868925.html

³ Gift aid - a scheme which allows charities to reclaim the basic rate of tax on donations made by taxpayers, increasing the size of the donation

⁴ Payroll giving - Donating to organisations tax-free directly through the salary

⁵ <https://www.greenqueen.com.hk/levis-unveils-latest-campaign-buy-better-wear-longer-encourage-sustainable-fashion-production-practices/>

⁶ <https://www.adweek.com/brand-marketing/this-levis-ad-will-make-donations-to-eco-charities/>

Case study

Volkswagen AG donates €10 million for European environmental projects under agreement with European Investment Bank¹

Volkswagen, in December 2018, committed to spend €10 million on European environmental projects by means of an agreement with the European Investment Bank. Decisive criteria for selecting projects to be funded with this donation included an organisation's previous experience in protection of the environment, as well as its future of sustainable mobility.

The donations were actually deemed to be made under an agreement between the EIB and Volkswagen as part of commitments made in relation to the diesel crisis. In 2009, the EIB granted the Volkswagen Group a loan that concerned funds for the development of diesel engines. Then, in the agreement with the EIB made in December 2018, Volkswagen voluntarily committed to spend a total of €10 million on environmental and sustainable projects as part of its commitment to sustainability. The projects were selected in consultation with the EIB.

Ralf Pfitzner, Head of Sustainability at Volkswagen AG, commented: "We are specifically focusing on projects that foster environmental stewardship and mobilise a spirit of research and entrepreneurship for climate protection. We are aiming for practical results and want to promote biodiversity as well as carbon sinks to protect our natural resources. Furthermore, we wish to create space for ideas that have great potential for taking the industry forward towards a carbon-free economy."

The €10 million will be used to fund several projects, including, among others, the following:

Repairing storm damage in Spain's Ebro Delta with a €1 million donation

In 2020, Storm Gloria wreaked havoc in the Ebro Delta in Spain, causing seawater to flood the wetland areas in the area's extensive natural parks. The Riet Vell nature reserve is part of this sensitive ecosystem. It has organic rice fields, reed beds, and salt flats, and is also

a breeding and resting place for an enormous variety of birds. With this donation, Volkswagen is supporting the work of Spain's oldest nature conservation organisation, SEO/BirdLife Spain. The organisation is engaged in repairing the storm damage in the Riet Vell nature reserve. Through restoration of these important areas, they will also be able to mitigate the effects of climate change such as sea-level rise, flooding, and coastal erosion. Additionally, it will promote the increase in biodiversity of the Riet Vell reserve. SEAT, part of Volkswagen Group, is the main partner of this project in Spain.

UNESCO Biosphere Reserves in Spain, Poland and Germany with a donation of €2 million

UNESCO's "Man and Biosphere" (MAB) Programme promotes the integration of people and nature for sustainable development worldwide in biosphere reserves. With this donation, Volkswagen supports three reserves in Spain (Bardenas Reales, La Rioja, and Ordesa Viñamala), one in Poland (Puszcza Kampinoska), and one in Germany (Schaalsee).

The donated amount is directed to projects related to sustainable mobility in tourism, in addition to improving water supply. Preserving natural biodiversity in wetlands and restoring peat bogs also contributes to climate protection.

Water, Landscape and Biodiversity: Conversion of Barnbruch woodland with a donation of €1 million

Restoring ecological connections between woodland, water, soils, and biodiversity in a former drained landscape is the goal of this cooperative project with Niedersächsische Landesforsten (Lower Saxony State Forest enterprise). Parts of the woodlands to be restored belong to the most valuable ecological lowland areas in Wolfsburg. In total, ten hectares of managed forest are to be developed with support from Volkswagen. They will be monitored and sustainably managed as a model for local climate buffers.



Geological formations of the Natural Park of Las Bardenas Reales in Navarra, Spain



Repairing storm damage in Spain's Ebro Delta with a €1 million donation

¹ <https://ethicalmarketingnews.com/volkswagen-ag-donates-e10-million-for-european-environmental-projects-under-agreement-with-european-investment-bank>

Suggested Key Performance Indicators (KPIs)

Evaluating success is one of the key activities to be followed when implementing the instrument, and for that, it is useful to agree upfront on several Key Performance Indicators (KPIs). Whatever the metric used, the KPIs will help to set the direction and guide decisions that will propel the organisation in the right direction. They will also help to define future donation requests or campaigns with more realism. Suggested Key Performance Indicators include:

Percentage of Performance Goals Met

The overall performance of the donation campaign will be evaluated by studying how many of the set goals were met during the campaign.

Donor and Donation Growth

Shows the increase in the size of donation revenue from one year to another, or from one month to another, and the increase in the number of donors.

- Donor Growth Rate =
$$\frac{((X \text{ year donors} - Y \text{ year donors}) \div Y \text{ year donors}) \times 100}{1}$$
- Donation Growth Rate =
$$\frac{((X \text{ year donations} - Y \text{ year donations}) \div Y \text{ year donations}) \times 100}{1}$$

Donor Retention Rate

Shows the percentage of donors that have repeated the donation. Retention is valuable for the organisation, given that building new relationships is more costly than maintaining existing ones. If an organisation gained 300 donors, but lost 250, there would be a retention problem. If there were 100 donors and 60 of them donated again in the next year, the donor retention rate would be 60/100 or 60%.

- Donor Retention Rate =
$$\frac{\text{Donors donating again in year Y} / \text{Donors donating in year X}}{1}$$

Donation Conversions by Channels

Represents how many donors decided to donate after seeing an advertisement, and which channel was used: organic, social, email, referral, ad... It shows which outreach efforts are effective, as well as illuminating the habits and affinities of the supporters in order to continue improving and building lasting relationships.

- Donation Conversion Rate =
$$\frac{\text{Number of donors who donated} / \text{Total targeted donors prompted by the advertising} \times 100}{1}$$

Web Site Page Views

Page views are important because the higher the number of people that visit your website, the higher the number of corporations likely to donate. Time spent on the page can also be tracked, as well as conversion rates (the percent of people who completed a donation when they visited the page). Having a large number of page views without a good conversion rate is a sign to improve the conversion process.

Impact created by the campaign

Several indicators of impact related to nature restoration projects can be used, dependent on the restoration project. This KPI is important to communicate to the donors.



Glossary

Annual giving	Contributions made to a non-profit organisation provided on any regular schedule (daily, weekly, monthly, etc.) For unrestricted purposes	Feasibility study	An assessment of the practicality of a proposed plan or project which analyses the viability of a project or venture to determine whether it is likely to succeed
Budget	An estimate of income and expenditure for a set period of time	Foundation and challenge grants	Funds disbursed usually by a government agency, corporation, foundation or trust (sometimes anonymously), to a non-profit entity or educational institution (the grantee) upon completion of the challenge requirement(s)
Brand ambassador	A person, especially a celebrity, who is paid to endorse or promote a particular company's products or services	Gift aid	A scheme which allows charities to reclaim the basic rate of tax on donations made by taxpayers, increasing the size of the donation
Cause-related marketing	A collaboration between a for-profit business and a non-profit organisation for promoting common benefit	In-kind donation	A contribution of a good or a service other than money
Community grants	A grant made or proposed to be made by a district council to a beneficiary for the purpose of financing a community subproject	Matching gifts	Type of philanthropy in which companies financially match donations that their employees make to non-profit organisations up to an agreed ratio
Company-sponsored foundations	Philanthropic organisations that are created and financially supported by a corporation. Each foundation is created as a separate legal entity from the corporation, but with close ties to it	Operational costs	The ongoing expenses incurred from the normal day-to-day of running a business
Corporate giving programmes	Initiatives where companies give their time, money, or resources to charities, foundations, NGOs, or other entities that pursue a purpose that the company wants to support	Payroll giving	Donating to organisations tax-free directly through the salary
Corporate philanthropy	The investments and activities a company voluntarily undertakes to responsibly manage and account for its impact on society	Public phase	The period of time during a campaign in which the campaign goes public through a kick-off event or mass marketing
Donation campaign	Used by charities and non-profits to gather a target amount of donations for their chosen cause over a set period	Quiet phase	The period of time during a campaign that is directed only to seeking contributions from the major gift donors
Donation form	A key tool used to collect information to process a donation	Set up costs	The amount of money needed to start a selected project
Donation platform	Online website that allows non-profits to securely collect and process donations	Volunteer grants	Type of donation in which companies provide monetary grants to organisations where employees regularly volunteer
		Word of mouth	A means of distributing information through people telling it to each other rather than it being printed or formally advertised

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