

Connecticut Land Trust Service Bureau

Practice Note #6: Fundraising and Annual Budgeting

- ◆ This Practice Note is intended for use with the **LTSB Fundraising InfoPak for Connecticut Land Trusts**.
- ◆ Land trusts have access to a surprisingly wide range of income sources. Nationwide, the average percentage of land trust income received from several sources is as follows: **Membership and individual donations (62%); Grants from foundations and government (14%); Businesses and Corporations (3%); Planned giving and bequests (1%); Interest and investment income (6%); Special events (4%); Sales of services and publications (4%); Other (6%)**. This Practice Note addresses the first four only.
- ◆ **Connecticut land trusts had a combined membership of about 25,000 in 1998**, or less than 1% of the state population. This compared to 1.8% in both Massachusetts and New Hampshire, 2.2% in Maine, and 2.3% in Vermont.
- ◆ **On average, less than 3% of Connecticut households are land trust members**. This percent varies widely by town and trust, however, with over 20 trusts claiming more than 10% of the households in their service area as members. Of those 20 trusts, about half had more than 20% of the households as members, and one had over 50%!
- ◆ **The key point: membership in Connecticut land trusts can probably be raised considerably – and possibly even doubled**. At the same time, dues charged by many trusts are also quite low – these might easily be increased with minimal impact on the number of households choosing to contribute.
- ◆ Though our state counts among the nation's wealthiest, we rank surprisingly low in terms of charitable contributions to non-profits. Receipts from **individual donors** can be increased in many towns, netting significantly higher amounts than those received through the regular membership program. Successfully (and repeatedly) raising funds from this source requires a concerted and professional effort, e.g., one associated with a special land acquisition drive or general capital campaign. **Though few trusts in the state have the necessary time or expertise to undertake this on a regular basis, those that contract for such services can find that the costs of doing so are usually more than offset by the additional income received**.
- ◆ LTSB has developed a small spreadsheet model, available on request, which trusts can use to estimate potential income from membership and individual donations within their service area.
- ◆ Though **foundation and government grants** can be a significant source of income for acquisition and stewardship, landing them can also require considerable time and effort. Trusts that choose to go this route should expect to cast the net widely, and then systematically refine the search down to just a few likely prospects.
- ◆ Connecticut has a surprisingly high number of foundations spread throughout the state (though with a heavy concentration, of course, in Fairfield County). The **InfoPak** includes several internet-based sources of information on how to identify these. Many of the larger libraries in the state also have resource centers that house this information.

- ◆ Once an initial list of prospects has been developed, the **Guidestar** website can be used to review the 990 Form for each foundation, revealing its assets, level of giving, grantee list, and trustees. The trust must then decide on how to best present its request to likely prospects. Though some may be receptive to a letter of inquiry, successful approaches, especially to smaller foundations, may require some form of contact with a trustee, or through some other personal connection.
- ◆ Though raising funds from local **businesses and corporations** can be difficult, land trusts should not be discouraged from tapping into this source, as persistence can and will pay off. *Generally speaking, local businesses can be approached as part of a membership program or individual donor campaign.* The InfoPak includes an article from the LTA Exchange describing how one trust has built a successful business membership program. As always, connections between local businesses and the land trust members and directors are key. The InfoPak contains a few internet-based sources of information on corporate giving programs
- ◆ *Approaching corporations for grants is a process similar to that for foundations.* The land trust must research the corporate grant program and look for compatible types of giving, as well as connections with land trust directors, members, etc. In addition, land trusts should alert their members through newsletters or other means that they welcome donations through workplace giving arrangements, especially those that are matched by the corporation.
- ◆ **To be successful with both business and corporate giving, the land trust must be proactive, building a high recognition of its name and activities.** Trusts should not get discouraged when results are not immediate – the payback from this type of awareness building may take several years.
- ◆ *Planned giving could well be one of the most promising sources of future funding for land trusts in Connecticut.* Again, charitable bequests in our state are well below the national average, despite considerable wealth. Though securing a bequest can require considerable work, the payback can also be very significant. Unfortunately, the land trust may not always know when it has been designated as a beneficiary, or when the funds will be received, making associated financial planning difficult. For information and assistance with planned giving programs, trusts in Connecticut can consult the “**Leave a Legacy**” program website at www.leavealegacyct.org.
- ◆ A major drawback to fundraising is that it can require considerable lead time. Often, trusts need to raise funds quickly to acquire a property which might otherwise be sold or developed. **One way to resolve this is to borrow funds for subsequent repayment.** The InfoPak contains information on land trust borrowing. Trusts that would consider this option should also visit the website of the Norcross Wildlife Foundation at www.norcrossws.org.
- ◆ Finally, check the InfoPak for information on fundraising partnerships and income from tradelands.
- ◆ Effective fundraising will best occur within the context of an **annual budget**. This will help the land trust to prioritize its activities and determine how they will be financed. Some activities are best funded through membership income (e.g., administrative tasks, educational activities, stewardship, etc.), while others are best funded through larger donations, grants and loans (e.g., permanent funds and endowments, land acquisition). *All trusts should consider preparing an annual budget, regardless of size or sources of income.*

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