



Getting businesses to sponsor part or all of your fundraising event

Sponsorship from companies

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THINKING ABOUT APPROACHING A COMPANY?

So, you are running a fundraising activity and you hope that a local business might help you to cover some of the cost of delivering the activity by sponsoring it. Good thinking.

Your costs might include:

- Hire of a venue
- Catering
- Professional help
- Sound and light equipment
- And lots more...

It may even be that your activity doesn't have any set-up costs but you are keen to see if you can boost the funds raised on your sponsorship form by getting a local firm to be your main sponsor. Also good thinking.

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THE LEGAL BIT

Asking a business to sponsor your event is different from getting your employer to be a sponsor or match-fund your activity, so you should read this sheet alongside the advice in our "[Asking for Sponsorship](#)" know-how sheet if you are also planning to ask your employer to get involved.

The next thing to understand is the difference between 'sponsorship' and 'sponsorship'. No, that's not a typo; the word sponsorship often gets used in two different ways in relation to fundraising - and it can really help to understand the difference when approaching a company.

Money that you raise using a [sponsorship form](#) or [online sponsorship page](#) and then give to your chosen cause is technically a donation because the people who have signed your "sponsorship form" do not expect anything in return for the money that they give to you. When you reach a sponsorship agreement with a company, that's unlikely to be the case; the company are likely to expect some type of public recognition of their generosity, in the form of publicity, exposure or brand inclusion, which technically has a commercial value, or worth of its own.

[The Charity Commission](#) describes company sponsorship agreements as follows:

"Under this type of agreement a company is in effect paying a charity to publicise the company and the fact that it has contributed to the charity. The company agrees to meet some or all of the costs of, for instance, one of the charity's publications, fund-raising events or projects. In return the charity will publicly acknowledge the company's contribution. The company again hopes that its visible association with, and financial support for, a charitable cause will improve its image, or promote and sell its products. The charity benefits from the sponsorship payments and, it hopes, from increased exposure of its name and cause in the company's own advertising of its support for the charity."

There's some further helpful advice on the subject of businesses working with charities on the Institute of Fundraising's site [here](#).

Don't let the difference between these two type of sponsorship put you off - if anything, you are likely to raise more money for your beneficiary from the second type of sponsorship if you approach businesses properly and know what you're asking for. The steps below are designed to help you.

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STEP 1: CHECK WITH YOUR CHARITY OR CAUSE

Company sponsorship is all about associating the company with the charity. The first thing you should do before seeking any company to sponsor your

event is to check with the charity or cause that you are fundraising in aid of that they are happy for you to fundraise in this way, and that they are happy with your choice of proposed sponsor.

Assuming your charity or cause is happy with your plans, you can now start to approach businesses.

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STEP 2: DECIDE WHICH COMPANIES TO APPROACH

As a general rule it is always easier to fundraise and secure sponsorship from people that you already have a relationship with, be it as friends or through business contacts. So you might start by drawing up a list of all the contacts you have with decision makers in local businesses.

Next draw up a list of all the companies locally who have the potential to give, which may include:

- Companies with enough profit to be able to spare some,
- Companies with a record of giving to local charities, or
- Companies who want to reach your specific audience.

For example, if you are running a food stall at the local village fete, your local supermarket may be interested in sponsoring your stall by providing you with produce or ingredients. Or if you are running sporty fundraising activities, would the local sports supply shop be interested?

Remember to think about the type of business that you want to be associated with your event - will it send the right messages about your organisation? For example, if raising money for a cancer charity, you might not want to engage with a tobacco company. The charity you are raising money for should be able to provide you with more advice about this.

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STEP 3: PREPARE YOUR SPONSORSHIP PACKAGE

We have established that the difference between sponsorship and a donation is that the sponsor expects some good publicity (PR and marketing) in return for their money. It is always best to start your discussion with the company by showing them what your event can offer to them in terms of a sponsorship package.

This should include details of:

The audience

The company will be most interested in any new audience that you can help them reach. So think about - and outline to them clearly - who will be attending your event.

- List all participants, potential spectators and people who will be reached through publicity.
- Try to guess how many people will be taking part in, and/or spectating at your event
- What will these people be interested in? Are the tickets for your event very expensive and will the attendees therefore be more likely to be people with the resources to buy your chosen company's products?
- Is your event very specialist? For example a mountain biking event is a unique opportunity for companies selling to this audience to reach exactly the type of person they're hoping to appeal to.

The more apparent you can make the link between your audience and the services your chosen company offers, and the bigger the exposure you're able to promise them, the keener they will be to support your event.

PR and Marketing opportunities

Once you know who you can help your company reach, you need to consider how you can help them to reach that audience. Here are some examples of what you may ask companies to pay sponsorship money for:

Catalogues, programmes and brochures

One of the most obvious ways to get companies to sponsor your event if it is likely to draw a crowd is by producing a [catalogue, programme or brochure](#), then asking them to buy advertising in it. You may even get a local printer to meet the cost of producing it!

An element of the event

Depending on the type of event you are running, there will always be opportunities for one or more companies to sponsor elements of the event - you just need to identify them.

For example, if you are holding a glamorous summer ball, companies might agree to buy a table, then sell or give seats to their staff. In return you will recognise their support in the programme and on any materials, [posters](#) and [press releases](#) you produce. Some [golf tournaments](#) ask companies to sponsor a hole. At a [race night](#), a company may sponsor a horse. [Running events](#) often have T-shirts or tabards with the sponsor's logo on them... Think creatively, and try and put yourself in the company's shoes before making them an offer.

The whole event

This is where you provide the company with the opportunity to be the sole sponsor of your event, the sole corporate name on any pre-event publicity and on-the-day materials produced and the only sponsor's name attached to the attention it attracts - at a premium!

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STEP 4: BUDGET FOR YOUR SPONSORSHIP APPROACH

Draw up a list of all the opportunities you could use to recognise your sponsor on the day and in pre-event publicity. Make a note against each opportunity of how much you calculate it will cost you. Some things may be free (*), but not necessarily things that you can guarantee - for example:

- Brochure = £1,200
- Posters = £250
- T-shirts/tabards = £360
- *Radio interview = £0.00
- *Local newspaper article = £0.00
- Local newspaper ad = £480
- Table = (12 tickets @ £50) £600

The golden rule is that you will need to ask the sponsor for enough money to produce the marketing and/or PR material and a good bit more. The "more" is your guaranteed fundraised income.

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STEP 5: DECIDE HOW MUCH TO ASK FOR

So, you've calculated the actual costs of the PR and marketing materials that you're offering. Now it's time to calculate its commercial value - i.e. how much your efforts are worth to the business you're approaching.

These aren't the same thing - e.g. while it may only cost you £360 to get your t-shirts printed, it may be worth £750 for your company to have 250 runners bearing their logo run all over the town centre. The full-page article that your local paper runs on your event for free could be worth a month's worth of advertising in the same paper for the local business included as its sponsor.

If you are selling advertising in a brochure, you may be able to find out what has been charged previously by other fundraisers or compare what it costs to advertise locally.

Be warned that the value of PR and marketing is often difficult to calculate, and be careful not to under-sell yourself. Remember that the main message you want to be getting across to your audience is that of your chosen cause, not the event sponsor. Is the extra work of satisfying the company's expectations worth the amount they're offering your beneficiary?

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STEP 6: IDENTIFY WHO TO ASK

As mentioned above, it is always best to start seeking sponsorship from companies with whom you already have some type of relationship. However, there may be times where this just isn't possible or appropriate, and you will need to "cold-call."

Depending on their size and set-up, companies may have departments that deal with community and/or donations, and a separate department that deals with marketing. The department that deals with marketing will always have a bigger budget. If you can, make sure you are talking to the people who manage marketing.

You should start your conversation with the company by discussing what you can offer them. Be clear about the audience they will reach and why you hope this will be of interest. Try to find out what they are interested in and see how far you can satisfy this within the scope of your event.

When they have identified a sponsorship package they like, you can then ask them how much they would be willing to pay in sponsorship. Often at this stage you will need to name your price - sometimes they will oblige with a sum larger than you had dared ask for!

Of course if you are just selling advertising in a programme the task is simpler...

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STEP 7: DRAW UP A WRITTEN DOCUMENT

Summarise the information above on 2 sides of A4, with some detail about the cause you are supporting and your fundraising event. It will help if you can include a picture.

The company may be buying a marketing or PR opportunity from you, but a compelling story about the cause you are supporting is still an important element. So your document should include:

- Information about your event (In June this year we will be...)
- Information about the cause (We are holding this event to raise funds for...)
- Information about the audience at the event (We expect the event to be attended by...)
- Information about the PR and marketing opportunities (There are a range of opportunities for us to recognise our sponsors including...)
- Last paragraph

The last paragraph of your document will be decided by the status of your sponsorship negotiations. It may include a request to meet and discuss sponsorship, or if you have already had the meeting and agreed a price, it may include a list of what you are offering and how much the company has agreed to pay.

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STEP 8: DOCUMENT YOUR AGREEMENT

You should always be clear what it is the company expects from you and how you will show that you have delivered it.

You should also be clear when and how the company are going to make the sponsorship payment to you.

All companies working with charities must have a written contract which will need to include all the details above. The charity should be able to help you with this. Model contracts are available on the [Institute of Fundraising website](#).

After getting all the information down in writing, remember to honour your reporting commitments, even though after the event you may feel that you deserve a well earned rest! You may want to work with that company again.

Good luck...

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