



MEMORANDUM

To: Newmarket Public Library Board

From: Todd Kyle

Date: June 17, 2015

Re: Fundraising and Development Strategy

As part of the 2015 budget process, the Library board asked staff to provide a report on options for investing in a staff or consultant resource to develop and manage an ongoing fundraising program for the Library. It was requested that this report be presented at the March 2015 meeting; however this has been delayed due to the Board appointments process.

There are two potential types of targets for fundraising. The first is as a one-time defined project with a single goal. For example, the Library may wish to buy a piece of equipment or furniture, and raise funds specifically for that purpose, using a reserve account to hold the funds if the purchase is not made within one fiscal year.

The second target is to add revenue into the annual budget to expand services for which ongoing expenditures are required. This entails some risk, in that the revenue may not reach its projections and thus may not make up for the added expenses. However, these risks are mitigated by the availability of operating reserve funds, which the Board can transfer into the operating budget at the end of the year to cover any shortfall. This risk can also be mitigated by applying funds to an expense where spending can fluctuate depending on funds being raised, such as collection acquisitions.

At the 2015 Ontario Library Association conference a session on fundraising was held by staff of the London Public Library and the following learned:

- Individual giving, rather than corporate or major donations, can account for the largest share of revenue; London Public Library raises an average of \$300K per year, of which 75% is donated by individuals.
- Ingredients of a successful fundraising program include:
 - regularly soliciting potential and previous donors;
 - the use of specialized fundraising software to track and solicit donors;
 - targeting non-users as much as users;
 - being specific about the target of donations, but emphasizing the idea rather than the expenditure;
 - allowing donors the option of either restrict their donation to a particular area or project, or directing it to the highest priority needs;
 - ensuring donors receive feedback about what their donation is accomplishing;
 - concentrating on solicitation of donations rather than fundraising events;
 - ensuring library staff can accept donations at any time;
 - including annual and planned giving in a strategy.

It is suggested that the Board consider engaging a contracted consultant to devise and manage such a plan as a pilot project. The option of hiring a contract employee is also possible; however, onsite work space for such an employee may not be available. Given London's population of roughly 366,000 and ability to raise roughly \$300K per year, the top target for Newmarket may be no more than \$60,000 per

year. As London's development staff compliment is one full-time equivalent (FTE), Newmarket may be unable to support more than the equivalent of a 0.25 FTE resource. If a \$60K target can be eventually met, it may be prudent to spend no more than \$30,000 annually on this resource.

If the Board wishes to pursue this strategy within the 2015 fiscal year, it will need to approve spending on the staff resource up front, authorizing an eventual transfer from the Operating Reserve if needed to cover it. In addition, it may need to eventually authorize additional spending of any funds raised within the 2015 operating budget. At the same time, it is recommended that a policy framework be developed in order to ensure accountability, transparency, and fiscal prudence regarding funds raised.

The following motions are recommended:

THAT the Library Board receive the report on Fundraising and Development Strategy.