



A 4-H Staff Member's Guide to County 4-H Giving Programs

There are three ways counties can build their funding resources with the Michigan 4-H Foundation:

1. The Michigan 4-H Foundation routinely accepts and administers **county-designated gifts**, which are charitable contributions designated by the donor for support of a specific county's 4-H youth program.
2. **County funds** can be created as a method of earning investment revenue on money that can be returned to the county at any time. Some counties use this method for managing larger sums of money that support their county 4-H programs.
3. Perpetual **endowment funds**, permanent assets of the foundation, can be created for long-term county support that return investment earnings to the county 4-H program. Once established, these funds are added to by county 4-H councils, donors, etc. These funds can be

attractive places for estate gifts that support 4-H locally.

What services does the Michigan 4-H Foundation provide to help counties raise funds?

- Foundation staff members are available to conduct trainings for county staff members and volunteers on the acquisition, management and use of private gifts.
- Foundation staff members are also available to assist county staff members in developing an annual giving solicit and annual giving program in support of 4-H in their county.
- The foundation has a system in place to record gifts and acknowledge donors. This encourages increased levels of giving, assures recognition is handled routinely, follows IRS requirements and alleviates these responsibilities from county staff members.

- Donations of stocks or other types of non-cash gifts are handled with ease because they are routine activities for the foundation.
- The foundation can assist county 4-H staff members in helping local donors consider an estate or planned gift to provide long-term support of a county program.

How do donors benefit from making a contribution to the Michigan 4-H Foundation rather than making it directly to a county-level 4-H organization?

1. Gifts to the foundation can be made in **cash, appreciated stock and securities, charitable gift annuities, life insurance, retirement funds, bequests and gifts-in-kind**.
2. Cash gifts and pledges may be made by **mail, phone or online** using a MasterCard, Visa, Discover or American Express credit or debit card.
3. The donor may choose a **monthly pledge payment plan** through an electronic bank fund transfer. The donor authorizes a monthly transfer from his/her bank account to the foundation's bank account in the same amount each month for at least 12 months. Donors generally commit larger amounts when using this payment method.
4. MSU-paid employees can also make gifts to support 4-H through **payroll deduction**.
5. Donors who are employed by matching-gift corporations can increase the impact of their donation by naming the foundation as a **matching gift recipient**. The Michigan 4-H Foundation has a list of companies who match employee gifts to qualified 501(c)(3)s.

Clarifying County Funds

Fund Name	County-Designated Gifts	County Funds	Endowed Funds for County Support
Purpose	Collect & distribute gifts to foundation designated for a county's use	County-managed funds for county programs, events, scholarships	Long-term support
Distribution/Withdrawals	4 times annually	Upon request	Corpus untouched, interest earnings used upon request
Minimum amount to establish	N/A	\$5,000	\$10,000 \$30,000 scholarship
Source of dollars	Any gift designated for county use	4-H council, family or other donor group	4-H council, family or other donor group
Interest	N/A	up to 8% based on current market	up to 8% based on current market
Investment type	N/A	cash, fixed income, equities	cash, fixed income, equities

Fund policies are set by the Michigan 4-H Foundation Board of Trustees and are subject to change at their discretion.

What other benefits does a donor receive?

- The foundation recognizes donors through the Clover Citation Program.
- All donors also receive *Vantage*, the foundation's newsletter. It features programs and opportunities that encourage continued charitable support to state and county 4-H programs.
- Major donors may also qualify for membership in a Michigan State University donor society. MSU provides this recognition because 4-H is a program of MSU Extension and the foundation is the channel for private gifts to 4-H.
- County 4-H programs can provide recognition in addition to the foundation's recognition program.

Who will invite donors to make contributions?

County MSU Extension staff members with 4-H responsibilities will normally initiate these solicitations or involve volunteers on behalf of the program. A county may choose to participate to the extent that seems appropriate for local staffing circumstances.

The foundation may assist the county staff members in building an annual giving program, crafting direct mail pieces, and facilitating printing and mailing of solicitations using county-specific gift envelopes. (Additional gift envelopes for county use are available upon request.)

The foundation provides donors using foundation gift forms to also designate gifts to support county programs.

What type of long-range goals for charitable gift support might a county seek to achieve through an annual giving program?

You may wish to have a goal of obtaining 50 new donors each year. Experience suggests that the average new gift will be approximately \$25. That means you would try to obtain \$1,250 new dollars each year through this avenue. After five years, you would have 250 donors.

Donors will often increase their contributions after two or three years of support, so after five years your average donation can be expected to reach \$40 to \$50. With a goal of 250 donors, this could hypothetically produce \$12,000 annually.

Major gifts and estate gifts are usually provided by people who make regular cash gifts to 4-H programs during their lifetimes. This is a very important reason to develop a broad base of donors in your county.

How does the county 4-H program receive county-designated gifts to the Michigan 4-H Foundation?

County-designated gifts are paid four times per year – February, May, August and November. The foundation distributes all county-designated gifts to the county's 4-H sub-account held at the State 4-H Office. All distributions are minus the foundation's current administrative fee.

Distributions include funds designated to support your county's 4-H program that have been received from donors since the prior distribution.

When county-designated gifts are distributed quarterly, the county office also receives a listing of all such gifts received by the

foundation so that you know the identities of donors from your county and can acknowledge their gifts locally as well.

Distributions of county gifts are paid by the tenth of each distribution month as noted on this calendar:

- Gifts received in the first fiscal quarter or July 1 through September 30 are distributed by November 10.
- Gifts received in the second fiscal quarter or October 1 through December 31 are distributed by February 10.
- Gifts received in the third fiscal quarter or January 1 through March 31 are distributed by May 10.
- Gifts received in the fourth fiscal quarter or April 1 through June 30 are distributed by August 10.

The Michigan 4-H Foundation retains a management fee of 15 percent of the value of the county-designated gift and returns 85% of the gift value to the county at the next scheduled distribution date. This policy aligns the county-designated gift program with the administrative fee policies set by the foundation's board of trustees for all gifts to the foundation.

Once the foundation distributes the county-designated gifts, who is accountable for the proper expenditure of this money?

The county MSU Extension office is responsible for ensuring that funds are spent in ways that are consistent with the donor's intent. This is a very important responsibility. Effective stewardship of donated funds is an obligation to every donor. It is also critical for establishing credibility with donors.

How does the county 4-H representative communicate with the foundation so charitable gifts are credited to a county or its fund?

Whenever a county 4-H representative forwards a donor's gift to us, a copy of the donor gift form should be included to assure proper accounting for the contribution. The foundation's contribution requests (through giving forms or person-to-person requests) include an option for the donor to designate their gift in support of a specific county 4-H program.

Will donors be solicited again to seek their regular support?

The purpose of building a broad base of financial support from individuals is to promote regular contributions. Most fund-raising organizations now solicit their donors at least twice a year.

All donors will receive the *Vantage* newsletter, which encourages donations to the Michigan 4-H Foundation for special needs and the memorial and tribute gift program. The majority of county-designated 4-H program donors will probably see these as additional giving opportunities rather than alternative uses for their future contributions.

If a county decides to discontinue an annual giving solicit, the foundation will include those donors in other 4-H solicits, which in most cases allow an option for county support.

Why do people donate to 4-H?

- They have personally benefited from 4-H programs.
- Their children, grandchildren or neighbors have benefited from 4-H involvement.
- They see 4-H as something good and worthwhile for their community and state, national and international communities.

- They are recognized by 4-H for their gifts through phone calls, letters, a certificate and other methods for expressing appreciation.
- They see it as one way to demonstrate appreciation to county MSU Extension staff members and 4-H volunteers who provide the leadership required for the program's success.
- Their gift helps meet the needs of their communities.

In addition to fund-raising, what other benefits does the foundation provide to counties?

- Assists in acquiring special grants from private or community foundations or corporations in support of a county 4-H program. Foundation and county staff members collaborate to create and market the proposals, and share the responsibility for proper stewardship.
- Subsidizes a variety of 4-H programming needs including county innovative grants.
- Access to Kettunen Center, the state's full-service conference center for 4-H and other MSU Extension events, at a discounted cost.
- Provides staffing, operating and programming resources, and special events for the Michigan 4-H Children's Garden, located on the campus of Michigan State University.
- Advocacy for 4-H by foundation trustees, who interface with decision makers in many sectors of society.
- Technical and other support for the development of major 4-H initiatives by MSU Extension staff members.

The Michigan 4-H Foundation is licensed to solicit charitable gifts by the state of Michigan (MICS 2751). The foundation's annual independent audit and a report containing percentages of charitable contributions expended on program administration and fund-raising are available by request.

How is the Michigan 4-H Foundation organized?

The Michigan 4-H Foundation is a not-for-profit, 501 (c) (3) organization. It is governed in all matters by its board of trustees, which consists of 30 people. Trustees are elected for three-year terms; voting is done by donors and other qualified voters (each county MSU Extension office is entitled to one vote) at the foundation's annual membership meeting each fall. The foundation's staff is based in East Lansing and at Kettunen Center, the primary Michigan 4-H volunteer and youth development training center, owned and operated by the Michigan 4-H Foundation.

Contact the Michigan 4-H Foundation to discuss these and other ways to benefit your county's 4-H program:

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