



COMMUNITY COLLEGE LEAGUE
OF CALIFORNIA

ADVOCACY AND FUNDRAISING EFFECTIVE STRATEGIES



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INTRODUCTION

What We've Discussed So Far

- Board/CEO Relations
- Leadership Strategies
- Effective Budgeting

Topic for This Podcast: Advocacy and Fundraising

- History
- Legislative and Policy Constructs
- Similarities and Differences Between Advocacy and Fundraising
- Skills, attributes and roles of "fundraisers"

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HISTORY

In general fundraising, foundations and auxiliary organizations are not very advanced in their development at the state and local levels.

- Foundations, endowments and institutional development have been the exclusive domain of private colleges and universities. Community colleges did not rank nationally in any significant educational fundraising efforts until 2018.
- Perception is that state taxpayer dollars provide adequate support. After the passage of Proposition 13, California community college budgets diminished significantly — a catalyst for an increased focus on fundraising.
- Colleges began demonstrating and documenting that state dollars were not meeting educational costs. This “funding gap” narrative became the primary tool in the justification and acquisition of grants at the federal, state and local levels, and for the pursuit of fundraising opportunities from the public sector.

ESTABLISHING SUPPORT STRUCTURES

•After 1980, structures emerged to support fundraising efforts in community colleges.

- Legislative and regulatory authority for auxiliary organizations
- Increased professional collaborative networks that produce procedures, staff development and training opportunities.

•**California Community Colleges Auxiliary Organizations Manual** – best reference source for establishing foundations and any other type of auxiliary organization, provides the statutory and regulatory language that governs auxiliary operations.



ESTABLISHING SUPPORT STRUCTURES CONTINUED

•Critical prerequisites to qualify for tax-exempt status under Internal Revenue Code section 501(c)(3) include:

- The operation must be organized solely for exempt purposes (charitable nonprofit).
- None of the operations earnings may in any way, shape or form benefit any private individual.
- Strict requirements must be in place to restrict "lobbying" activities.

•Violations of Internal Revenue Code section 501(c)(3) can lead to serious consequences, including the dismantling of fundraising efforts and even criminal penalties.

•It is crucial for the CEO and the Colleges' Chief Business Officers to be impeccable in handling funds auxiliary resources and funds.





SUPPORT NETWORKS: NETWORK OF COMMUNITY COLLEGE FOUNDATIONS

- Aims to bridge the knowledge gap evident in most community colleges and create a permanent structure for interactive and ongoing support.
- Teaches community college foundation staff, college presidents and volunteers serving on foundation boards the necessary fundraising skills to achieve their goals.
- Has been invaluable in contributing to increased sophistication and collaboration between and among community colleges.
- “Document exchange” online resource library — which can be accessed directly at Document Exchange (ncccfweb.org) — is an invaluable resource that offers platforms to share resources, best practices and sample templates, manuals, policies, and procedures.



SUPPORT NETWORKS: FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES

- Mission is to benefit, support and enhance the mission of the California community college system.
- Supports colleges in student success, workforce development, equity, community impact, and system support and services.
- Can access significant resources that can be subsequently used to support and advance the community college agenda and to mobilize stakeholders across various state sectors through public relations to support the advocacy and fundraising goals for the colleges.

DEFINITION OF TERMS: DIFFERENCES AND SIMILARITIES BETWEEN ADVOCACY AND FUNDRAISING

•**Auxiliary Organization** – An entity authorized by section 72670 of the Education Code to promote or assist a community college/district. Gifts, funds, and property received must be used for the benefit of the community college. May perform only functions that are an integral part of the community college educational program, such as scholarships, alumni activities, public relations programs, bookstores and food services.

•**Board of Directors** – The governing board of an auxiliary organization.

•**Eligible Organization** – Refers to private (nongovernmental) nonprofit entities eligible to conduct raffles. Public nonprofits are not eligible to conduct raffles.

•**Endowment Fund** – An investment fund set up by an institution in which regular withdrawals from the invested capital are used for ongoing operations or other specified purposes. Endowment funds are often used by nonprofits and are funded by donations that are tax-deductible for donors.



DEFINITION OF TERMS CONTINUED

- **Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that they are maintained permanently by the auxiliary organization.

- **Temporarily Restricted Net Assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the auxiliary organization or passage of time.

- **Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

- **Uniform Prudent Management of Institutional Funds Act (UPMIFA)** – Requires the auxiliary organization's governing board to manage and invest endowment funds in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.





DEFINITION OF TERMS CONTINUED

While these definitions may appear overly legalistic, strict adherence and compliance with legislative mandates are essential. When you reference the "college's foundation," you must make sure that:

- Its nonprofit exempt status is clearly established.
- Its oversight body, the board of directors, is distinctly separated from the board of trustees.
- A firewall exists between the fiscal accounting and record keeping of the college and those of the auxiliary organization/foundation.



INSTITUTIONAL ADVANCEMENT

The purpose of an Institutional Advancement Division is to focus on the institution's overall image and improvement to advance fundraising. Areas of responsibility include:

- Publications/Media Relations** – Responsible for all print materials used by the institution and for the quality and consistency of the institution's "print image."
- Public Relations** – The professional maintenance of a favorable public image by the college.
- Internal Communication** – Communication that takes place between the members of the organization (students, faculty, staff and governing board of the college).
- External Communication** – Communication that occurs between the college and external audiences (community constituents, business and industry, city, county, and state officials).
- Governmental Relations** – Defined as the process of influencing public policy at all levels of governance: local, regional and national.

INSTITUTIONAL DEVELOPMENT

The second area of focus within institutional advancement is institutional development. This includes:

- **Major Gifts** – Composed of pledges or payments spread over several years.
- **Capital Campaigns** – Intensive efforts to raise a significant amount of money for an institution over a limited period of time in order to increase the institution's capital assets.
- **Planned Giving** – Planned giving is the term given to any gift that involves a transfer of assets other than cash. These gifts are planned because they frequently have tax consequences or involve other structuring. The most familiar of all planned gifts is the bequest.
- **Prospect Research** – Within the development department, the identification of individuals who can make major gifts to the institution falls to the prospect research department. Once these prospects have been identified, prospect research uses print and electronic resources and develops dossiers on each individual.



INSTITUTIONAL DEVELOPMENT CONTINUED

- **Advancement Records** – The advancement records area is responsible for all gifts and pledges that come into the university. Specifically, advancement records documents donations and pledges electronically for each donor in the university's alumni and donor record system.
- **Corporate and Foundation Relations** – Depending on the size of the development operation, there may be a department of corporate and foundation relations or an individual who has the same responsibility. Because of the intense writing required for submitting a foundation proposal, individuals in corporate and foundation relations spend much of their time writing grant proposals.
- **Stewardship** – Once an individual, foundation or corporation makes a gift to an institution, the responsibility for maintaining the relationship falls to the stewardship office (in addition to those involved in the solicitation). Being good stewards of a gift includes providing donors with annual reports detailing how their gifts are used and which individuals benefited from the generosity.





ADVOCACY AND FUNDRAISING OUTCOMES: ROLE OF THE CEO

- It is vital to ensure that the CEO has access to staffing resources, personnel development and, perhaps most importantly, a clear expectation from the Board of Trustees about their fundraising goals.
- The essential CEO function identified with fundraising success is friend-raising or utilizing people skills to share the college's story to connect and maintain a relationship with donors.
- The CEO must be integrally involved in developing strategic planning, creating a vision for the fundraising activities and supporting the fundraising team with adequate resources.
- Establish a fundraising team, starting with a chief development officer who complements the president, that can manage the fundraising process and garner volunteer support.

ADVOCACY AND FUNDRAISING OUTCOMES: FOUNDATION DIRECTORS

There are several important measures to establish a solid relationship with the foundation director and facilitate fundraising activities:

- Establish a direct report relation for the foundation director.
- Ensure that the foundation director sits on the college's executive council. This opportunity will enrich the director's ability to make a case for need.
- Ensure that the foundation director can schedule the CEO's participation with relative ease.
- Attend all foundation board of directors' meetings.
- Ensure the attendance of the foundation director at all board of trustees meetings.
- Play an active role in donor cultivation or gift requests in conjunction with the foundation director.
- Do not expect the foundation director to pay for him/herself in a year or some other arbitrary time frame. Existing regulatory language provides the option to cover this type of cost through the college budget.



THE ADVOCACY FUNCTION

The establishment of an effective "advocacy" function begins with creating or enhancing the college's Public/Media Relations Office. Some of the important tools or resources of this office include:

- Development a clear set of "talking points," or script, that best describes the college's mission, vision and goals.
- Production of an Annual Report for the external community.
- Identification of specific external cohorts to be targeted for ongoing communication and input.
- Identification of critical press outlets and the vehicles to engage effectively with local press, national and state publications.
- Development of a Press Packet that is responsive to the demographics of external constituents.
- Establishment of a proactive legislative advocacy plan for the college.
- Coordination with systemwide legislative advocacy plans.
- Enabling the involvement of all elected officials representing the college (city, county, state, federal).



FUNDRAISING AND RELATIONSHIP CULTIVATION

There are five stages of the donor fundraising cycle: identification, qualification, cultivation, solicitation and stewardship. The CEO should work with the foundation director to develop and sustain this process. Steps include:

- Establishing clear expectations for the board of trustees about the amount of time that you as CEO should spend in fundraising activities.
- Facilitation of a board of trustees discussion regarding their responsibilities for fundraising, the relationship, and the differences between their policy role and the role of the foundation's board of directors.
- Creation or enhancement of the college's foundation, including identifying necessary resources and staff and selecting the foundation director.
- Accessing and participating in specialized fundraising skills training and development.
- Ensuring or enhancing college foundation functions.
- Establishing college fundraising goals and priorities.
- Developing a strong media relations function to ensure that college advancements and other fundraising activities are well covered.





SUMMARY

- Community college advocacy has much older roots and is better established. Fundraising, on the other hand, has a more recent history within community colleges.
- In California, fundraising efforts through the establishment of auxiliary organizations developed more rapidly after 1980. This process is aided significantly by statewide networks (Foundation for Community Colleges and Network of California Community College Foundations).
- Legislative and regulatory compliance mandates have also evolved. The Auxiliary Organization Manual from the State Chancellor's Office provides colleges with the necessary steps to ensure compliance.
- It is essential to ensure that the board of trustees has a clear understanding of fundraising and their roles and responsibilities in the area, as well as the level of time commitment that is expected of the CEO in this area.
- It is also important to ensure that the effectiveness of the college's advocacy efforts continues to grow.

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A photograph of a modern building with a sign that reads "BRENDA AND WILLIAM DAVIS CENTER FOR STUDENT SUCCESS". The building is partially obscured by a green hexagonal grid overlay. The sign is in large, bold, red letters.

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