

**Fundraising Proposal**  
**Manitoba Genealogical Society Inc**  
**Fiscal 2023-24**

**Background:**

The MGS is a charitable non-profit organization. Operating grants from the Manitoba Government have remained unchanged for a number of years now and have remained frozen at \$11,200 per annum. When compared to the eight other provincial heritage agencies in Manitoba, the MGS has fared poorly and has been funded the least of these agencies.

For Fiscal Year 2021-22, revenues were generated from membership dues (30.7%), grants (28.5%), donations (31.9%), research services (2.9%), library resources (1.8%), communications (1.7%), and miscellaneous income (2.3%). Donations contributed significantly to the operating funds of the MGS.

A review of the financial report for Fiscal Year to Date 2022-23 ending a different picture emerged. Donations for the fiscal year were only \$11,696. This is significantly less than forecasted and far short of the previous year's activity of \$21,098.

The impact of the COVID-19 pandemic created a number of challenges for MGS. Our offices were closed for nearly two years. Being closed meant not being accessible to the public and our members. Membership has decreased. The number of visitors to our resource centre have also decreased.

Most of our community education had to be cancelled, including revenue generating classes, along with the various events within the heritage community. This chance to increase our membership base and bring users into our facility was obviously a huge loss.

Our heritage community survival has always relied on the significant involvement and commitment of volunteers. The duration of the pandemic has resulted in a loss in the number of volunteers. The loss of their talents, skills, and abilities have had negative consequences to our organization. We are slowly making inroads by recruiting new individuals to our organization.

Expectations of on-line services have increased as clients prefer to work from home and on-line. We have spent an inordinate amount of time and effort in updating our website and database. There is a need for continued growth and innovation. This requires funding for technological and software upgrades including back up systems and the planning, development, and implementation of innovative programs (Cummins Map Project, Pedigree and Family Group sheets, KOHA update to version 21.05.22, digitization of cemetery records). These expectations and others will require additional financial resources to better meet the needs of our members, volunteers, and clients.

Donations are the lifeblood of any non-profit organization. Non-profit fundraising allows the organization to fund its mission, pay overhead costs, develop educational programs, and make improvements that will benefit future clients. Fundraising is an essential component to the MGS business model.

## **Types of Fundraising:**

### **1. Major gift fundraising**

A major gift is usually defined as a single donation of \$1,000 or more. Often, these gifts can make up the bulk of what is donated to a non-profit organization each year. Major gifts can take the form of legacy donations, corporate gifts, and individual donations.

### **2. Recurring donation fundraising**

Recurring donations are donations that are made on a regular basis. These can help your organization forecast for budgeting purposes.

### **3. Virtual fundraising**

Virtual fundraising just means that your fundraising event is held in a virtual setting, such as over a Zoom call, Facebook Live, or by some other means. A virtual fundraising event can be as complex as hosting a virtual gala or concert to something simpler in nature, such as a trivia game night.

### **4. Online fundraising**

Online fundraising is as simple as posting a fundraising campaign on a non-profit's website, doing some advertising about said fundraising event, and watching as the donations start coming in. This type of fundraising is easy for donors with busy lives as they can make a financial contribution when they think about it while at home or on the go.

### **5. Event fundraising**

When it comes to event fundraising, you will first want to determine what type of event you would like to hold (i.e., a bake sale, rummage sale, a concert, picnic, dinner, and entertainment evening, etc.). Typically, guests RSVP for the event and pay a ticketing fee to reserve their spot. At the event, you can solicit additional funds through games and ticket drawings, silent auctions, and other activities you produce.

## 6. Auction fundraising

Auction fundraising is an excellent way to solicit donations while giving your donor something valuable in return. Often, for-profit businesses will donate a service to your auction. This could include something like a massage or free night's stay at a resort or expensive items like jewelry or fine wines.

## 7. Merchandise fundraising

One popular form of fundraising is through the sale of special merchandise. The proceeds from the sale of goods goes toward funding the mission of the organization. The MGS already has an on-line shop on its website to sell its merchandise and memberships online.

## 8. Raffles

A traditional (either offline or in-person) raffle involves the sale of physical tickets on location and generally lasts for a few hours during an event. An online raffle is held virtually by setting up a dedicated webpage and online payment options for purchase of tickets. Online raffles can run for a single day or weeks or months, thus providing lots more time and opportunity for the organization to raise funds.

Running a fundraising event online (versus in-person) means less operational costs and administrative work, access to a highly secure virtual environment, cost savings on printing and purchase of stationery items, efficient collection and distribution of funds, and the ability to reach a wider audience geographically and demographically at a minimal cost.

### **8.1 50/50 Draws.**

An online 50/50 is the perfect solution for organizations that do not want to mobilize an entire team for a fundraiser. This type of raffle requires less resource effort and more flexibility to fit within your schedule and staff availability.

An electronic raffle system is computer software and related equipment used by raffle licensees to sell tickets, account for sales, determine winners through random selection, and to distribute prizes.

### **8.2 Calendar Raffle**

A predetermined number of tickets are printed and sold (usually on the back page of an actual calendar) and each ticket has a chance to win any number of times during a specified series of draws (e.g., daily, weekly, or monthly). Calendar raffles can be for a portion of a year or for an entire year.

## **Requirements:**

### **1. CRA**

If you hold a fundraising event for a charity, you **cannot** issue receipts for donations received on behalf of that charity. Only the charity itself can issue receipts for donations. If a charity lends its registration number for receipting purposes, its registration could be revoked.

To issue a receipt for a fundraising event or activity, you must first determine the value of the benefits provided to all participants. These benefits are considered an advantage and must be deducted from the amount of the gift before you can issue a receipt for the eligible amount. The method of calculating the eligible amount of a gift is called split receipting. The value of these advantages must always be deducted from the amount of the gift to determine the eligible amount. Examples:

- the meal at a fundraising dinner
- the green fees, cart rental, and meal at a golf tournament
- a comparable ticket price for a fundraising concert

### **Other advantages**

The value of these advantages must be deducted from the amount of the gift to determine the eligible amount unless the de minimis rule applies. Examples:

- door prizes
- complimentary gifts (pens and key chains)
- achievement prizes (the prize for the longest drive at a golf tournament)

### **Receipting for items donated for an auction:**

- A receipt can be issued to the donor for the fair market value of the item at the time it is donated to the charity.
- The donated item may be subject to the deemed fair market value rule.
- If the fair market value of the donated item cannot be established, you cannot issue a receipt.

### **Receipting for items bought at an auction:**

- The fair market value of the item must be established and made known to all bidders in advance of the auction, or you cannot issue a receipt.
- The winning bid must meet the intention to make a gift threshold (the posted value of the item cannot exceed 80% of the winning bid).

### **Example**

A bike is donated to a charity for an auction.

- The fair market value of the bike at the time of donation is \$400.
- The fair market value of the bike is posted at the auction.
- The winning bid for the bike at the auction is \$550.

### Calculation of eligible amount

Winning bid (the gift)	\$550
Less advantage: Bike \$400	
Total advantage	\$400
Eligible amount	\$150

The amount of the advantage is \$400, and a receipt may be issued to the winning bidder for the eligible amount of \$150.

The fair market value of \$400 for the bike was established at the time it was donated, and a receipt may be issued to the donor for \$400.

If the fair market value of the bike were not made known to bidders in advance of the auction, a receipt could not be issued to the winning bidder.

The minimum bid required to meet the intention to give threshold is \$500 (fair market value x 125%).

If the total advantage had been greater than \$440 (80% of the \$550 winning bid), it would not have met the intention to make a gift threshold and a receipt could not have been issued to the winning bidder.

## 2. Manitoba Lotteries

- A raffle is a lottery scheme where a prize(s) is awarded randomly to someone who has purchased a chance to win. These include regular raffles, players' choice, percent payout draws (i.e., 50/50 draws). Chase the card raffle, calendar raffles.
- There are no fees for raffles with anticipated gross revenue of \$10,000 or less.
- For raffles with anticipated gross revenue over \$10,000, the licence fee is 1.5% of the actual gross revenue. The fee is due after the event when the financial reports for the raffle are submitted. The LGCA will provide the reporting requirements when the licence is issued.
- Only charitable and religious organizations with a raffle licence are eligible to use an electronic raffle system.
- To be approved to use an electronic raffle system, an organization's raffle licence application must include information about how they are proposing to use the electronic raffle system. The supplier of the electronic raffle system must be licensed by the LGCA, and the electronic raffle system must be tested by an accredited testing facility approved by the LGCA.
- Silent auctions are not considered to be a raffle and therefore no license is required.

## **The Proposal:**

For Fiscal Year 2023 -24, it is recommended the following initiatives occur:

- **Annual fundraising drive** to be held in conjunction with Giving Tuesday November 28<sup>th</sup> through to December 2023 to attract major gift donors, new and continuing donors. The annual fundraising drive is done by direct mail and email solicitation to existing members, prior years donors, and potential contacts. It is linked to Giving Tuesday and we have partnered with the Canada Helps Organization. The Canada Helps organization collects the donation, issues the receipt, and forwards contribution to MGS. (Is there a thank-you note sent by MGS to donor?) Donors are recognized by inscribing their names and contributions in framed mountings. These are replaced every 5 years. Planning for this should begin in September to ensure an effective campaign. The goal this year will be to raise \$6000. Miscellaneous donations through out the year are targeted to be a further \$6,000.
- **Great Canadian Giving Challenge June 1 - 30** The Great Canadian Giving Challenge is a month-long contest to help fundraise during the slow summer months when donations tend to decline. Every dollar donated to MGS in June, via [CanadaHelps.org](https://CanadaHelps.org) or Canada Helps, is an entry for a chance to win \$20,000\*. Every charity using Canada Helps is automatically entered with no registration required.
- **Merchandise fundraising** - The goal this year is to sell \$1,500 worth of merchandise through book sales, publications, cemetery records, research time, and other items.
- **Doors Open Winnipeg Event May 26-27, 2023** – free door prize consisting of blank pedigree charts, family group sheets, books, etc. For 2023-24 it is recommended that a fund-raising event be part of the MGS plan.
- **Cash calendars draw** to be ready for November 2023. This is a new initiative. Everyone needs a calendar. What better way to raise funds. It is proposed that the MGS initiate the preparation and sale of cash calendars to members, the public, personal contacts, and gift giving during the holiday season. It is proposed in the first year. Calendar sales be limited to four hundred calendars in order to stimulate interest and make it a successful campaign. Each calendar will be sold for \$20. Weekly draws will be held, and prizes awarded in the amount of \$1,880 (39 weekly draws of \$20, twelve monthly draws of \$50, and one annual draw of \$500.). It is expected net profit will be \$2,500. This is a major project that will require commitment from Council to make it successful. The project will require developing a theme for the calendar, obtaining quotes from printers, ensuring compliance with the Lotteries Manitoba, but more importantly, ensuring the sales and distribution of four hundred calendars.
- **Silent Auction Fundraiser** to be held in conjunction with Culture Days in the fall of 2023. Planning should be started in April for this virtual event or onsite. Items may be donated

from members and should also include MGS specific items including books, pedigree charts, cemetery records, VIVID pictures, drawings, etc. Estimated income \$500.

- **Percent payout draw (50/50) draw** – This is a new initiative. Many charitable organizations have chosen to use on line service companies to host on line raffles in Manitoba including: Funding Change ( <https://portal.fundingchange.ca/buy-tickets/mb>), Ascend Fundraising Solutions (<https://www.ascendfs.com/>) and BUMP ( <https://www.bumpcbn.com/>).

They charge an administrative fee for managing licensing, setting up site, sell tickets, issue receipts, manage payouts and reports. Fees are up to 15% of all funds raised. Several help with setting up fundraising programs. The ‘pot’ grows based on the number of tickets sold.

Tickets are usually sold in packages (i.e., \$40 for two hundred tickets, \$20 for thirty tickets, \$10 for five tickets). Ideally the goal is to grow the pot to \$10,000 but smaller organizations or non health care/ community services have smaller pots. These draws can be run monthly, several times per year or once per month. The risks are minimal to charitable organizations. Assuming ticket sales reached \$10,000 and 15% administrative overhead, net profit to MGS would be \$3,500.

Other items to be considered include chocolate bar sales or other consumables, plant sale for Mother’s Day, Christmas arrangements, workshops, etc.