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# Fundraising and Local Match

Small Urban & Rural Transit Center

Upper Great Plains Transportation Institute

North Dakota State University

Fargo, ND

**Gary Hegland**

Small Urban & Rural Transit Center

# Quote for the Day

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“The future belongs to those who believe in the beauty of their dreams.”

*Eleanor Roosevelt*



# Raising Money

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- ★ Fundraising is both an **art** and a **science**.
  - The art is in developing and nurturing relationships with people.
  - The science lies in using data, research, and tested fund-raising models to achieve your organization's revenue goals.



# Introduction

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- The smaller federal grant programs
- How to qualify for these programs
- Why plan for fundraising
- What you can use for match
- How to generate local match
- Raising money for local transit

# Financial Planning

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- ★ State and Federal Governments require it
- ★ Your business desires it
- ★ Become an information business (Collect data, issue reports, measure your performance, advertise your successes)
- ★ Plan for financial growth
- ★ Explore/investigate all your options
- ★ Be aggressive...slow to take “no” for an answer
- ★ Plan your time for “Financial Planning”



# Financial Planning

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- ★ Generally involves these four areas
  - Cash management
  - Funding sources
  - Performance measurement
  - Risk management



# Cash Management

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- ★ Cash collection (Accounts receivable)
- ★ Cash concentration (Liquidity management)
- ★ Disbursements (Accounts payable)
- ★ Investment of surplus cash, if any
- ★ Financing or borrowing
- ★ Forecasting “cash flow”
- ★ Managing bank relations



# Cash Management

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- ★ Capital purchases for 1 to 5 years
- ★ Cash flow needs: monthly & annual
- ★ What are the costs of expanding service area?
- ★ What are the costs of increasing ridership?



# Cash Management

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- ★ What are the maintenance cost(s) of used vs new vehicles?
- ★ What are the costs of changes in administrative staff, increasing part-time or full-time drivers and dispatchers?
- ★ Insist on full cost allocation toward all business decisions
- ★ Saving for the future



# Where do you get your funding?

- ❖ **20 % of your sources provide you with 80% of your funding**
  - Government grants
  - State funding
  - City and county contributions through taxes
  - Accumulated cash (financial support fund)
  
- ❖ **80% of your sources provide you with 20% of your funding**
  - Fares
  - Raffles
  - Special events
  
- ❖ **Which sources are you going to spend 80% of your time on?**



# Record Keeping

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## ■ Finances

- Excellent record on all financial activity
- Look at 5 year history to identify trends
- All volunteer activity
- Measure your efficiencies and effectiveness

## ■ Customers

- Who are they?
- Where is their place of origin? Where is their destination?
- What are their demographics?

## ■ Ridership

- Total ridership
- Time of day for peak, and weekly peaks
- Age breakdown
- Measurements of conveniences



# Record Keeping

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## ■ Customer satisfaction

- Why do they ride your bus?
- What services do your customers value most?
- What challenges do your customers encounter?

## ■ Community growth or decline

- Be involved with local Chamber of Commerce
- What are key issues with your City Commission?
- What are the social services issues? (TANF, WIA, Vocational Rehab., Head Start, & Developmental Disabilities Centers)
- What are the nursing homes doing?



# Section 5310 Elderly and Disabled Program

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- ★ Capital Assistance for Specialized Transit Vehicles
  - Competitive grant process for private, non-profit organizations, & local public entities
  - 20% local match
  
- ★ 10% can be used for administration, planning and technical assistance
  
- ★ Coordinated plans are a prerequisite to grants being funded
  
- ★ State is the recipient of all 5310 funds



# Section 5316 – JARC

## Job Access & Reverse Commute

- ★ Financial assistance for employment rides
- ★ Provide rides to low-income & welfare individuals for employment, training, & some education
- ★ Provide transportation from urban areas to suburban employment
  - 20% local capital match
  - 50% net operating deficit
- ★ State is designated recipient (population under 200,000)
- ★ Funded projects must be derived from a coordinated plan
- ★ Derived funding is from a state-based formula



# Section 5317 New Freedom Program

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- ★ New program for people with disabilities
- ★ Provide new services beyond what is required under the American with Disabilities Act (ADA)
  - 20% local capital match
  - 50% net operating deficit
- ★ Funded projects must be derived from a coordinated plan
- ★ Cannot transfer funds between JARC & New Freedom
- ★ The 10% for administration can be for the recipient or sub-recipient



# FTA Funding Levels for ND & SD

		<b>5311 &amp; 5340</b>	<b>JARC</b>	<b>RTAP</b>	<b>5310</b>	<b>N F</b>	<b>Total</b>
<b>Utah</b>	<b>2006</b>	\$4,029,955	\$899,387	\$82,615	\$708,239	\$430,462	\$6,150,658
	<b>2007</b>	\$4,179,102	\$938,490	\$84,089	\$735,982	\$447,018	\$6,384,681

These were published on January 11, 2006 on the FTA website.  
They may have changed.



# Coordinated Plans

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## Key Elements of a Coordinated Plan

- An assessment of the transportation needs for individuals with disabilities, older adults, and people with limited income.
- An inventory of available services (agencies, vehicles & services)
  - ✓ Area of redundancy
  - ✓ Gaps in services

# Coordinated Plans

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- Strategies to address the service gaps
- The coordination that would be required to reduce the existing duplication
- Steps to increase the efficiency of the current resources
- Rank the desired implementation strategies



# Potential Partners for Coordination

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- Your local human services agencies and others
  - ✓ Regional human service agency
  - ✓ Local county social service agency
  - ✓ Local job service agencies
  - ✓ Head Start and schools
  - ✓ Veteran's Administration
  - ✓ Business community
  - ✓ Churches
  - ✓ Local tribe or reservations
  - ✓ Nursing homes and assisted living facilities



# In-Kind Match

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**This is available to use for both capital and operating:**

❖ Capital

- ✓ Land
- ✓ Equipment
- ✓ Buildings

❖ Operating – using volunteer labor for:

- ✓ Dispatching
- ✓ Cleaning
- ✓ Travel training
- ✓ On-the-bus greeter



# Endowments and Foundations

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- If you are a 501(c) 3 corporation all you need to do is start a new checking account
- Name it “Long-Term Financial Stability Fund”
- Create a case or cause for the donation
  - ✓ Justification for the philanthropic support



# Endowments and Foundations

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- Relationship building is key
- Examine your many options
  - ✓ Special appeals
  - ✓ Special events
  - ✓ Planned giving
  - ✓ Adult children of clients
  - ✓ Identify potential donors



# Long Term Financial Stability Fund

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- Purpose of the fund raising must be clearly identified and conveyed to donors
- Identify people who could become donors, i.e. get their names, address, phone #'s.
- Develop long-term trusting relationships
- In 1998, individuals gave 77% of the total donated dollars in the U. S.



# Long Term Financial Stability Fund

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- Ann Carlsen Center in Jamestown started with \$4M in the middle 1980's and has \$25M today in long term financial stability account. Their annual operating budget is \$10 million.
- Elevate the need for public support for transit in your community. Tell your story!!
- If you never start a “long term financial stability” account you will never reach your desired goal.

# Long Term Financial Stability Fund

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- ★ Each one of you here could set that goal for your project!
- ★ A special event for raising the awareness of need for “long-term financial stability”
- ★ Start gathering names of potential contributors
- ★ This group could meet twice a year for the next five years to share strategies & success stories
- ★ What if your goal was two million dollars?

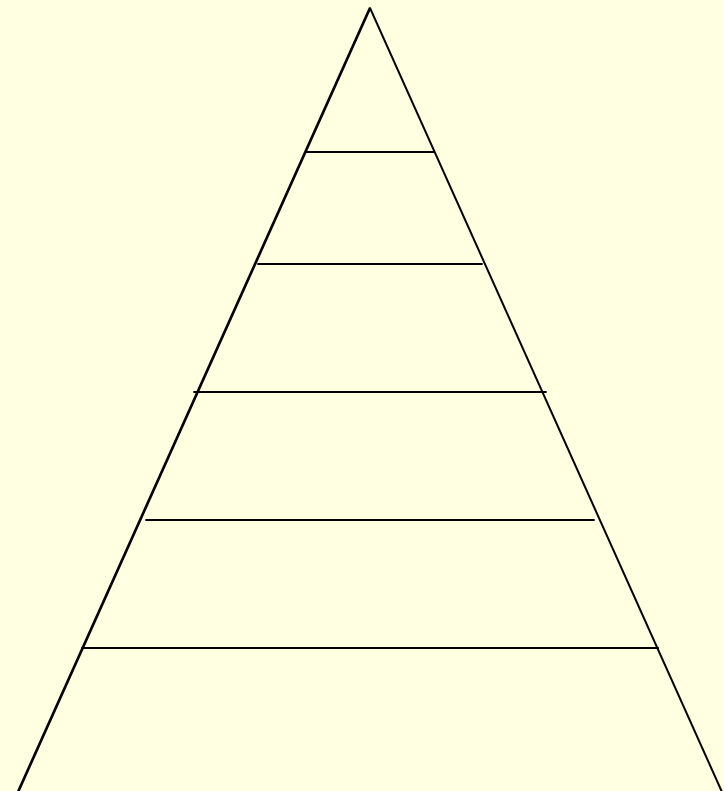
# Raising \$2 Million

## To raise \$2 million

Estimate number and size of contributions

★ 1	\$250,000
★ 5	\$100,000
★ 10	\$ 50,000
★ 20	\$ 25,000
★ 25	\$ 5,000
★ 50	\$ 2,500

## The Pyramid



# What are your dreams?

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★ The only way to fail

is to never start!



# Gary Hegland

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Training & Outreach Coordinator  
Small Urban & Rural Transit Center

P. O. Box 5074

Fargo, ND 58105

Phone: (701) 231-6436

Fax: (701) 231-1945

Email: [gary.hegland@ndsu.edu](mailto:gary.hegland@ndsu.edu)

Web: [www.surtc.org](http://www.surtc.org)

