



Donations and sponsorships tutorial

Introduction

The system is used to record the receipt of various types of sponsorships / donations. These data can then be used in future solicitation. This tutorial will teach you

- About the types of sponsorships / donations that can be tracked.
- How to record sponsorships
- How to issue tax receipts
- About solicitation of sponsorships / donations

On every screen, just push the F1 key and the help for that screen will appear.

Types of donations / sponsorships

CharityMaster tracks several sponsorships / donations by *type*. Sponsorship *types* allow you to track the kinds of sponsorship / donations that you receive. Sponsorship types generally parallel the general ledger accounts you use. Some typical types might include:

- Individual donations
- Corporate donations
- Foundation grants

You can add your own sponsorship types (see the CharityMaster help system topic “Maintain sponsorship types”) but there are three special *types* that are shipped with CharityMaster that you cannot edit or delete. These are:

- Gala: corporate table sponsor
- Auction donation
- Donations 'in kind'

How to record donations / sponsorships

If a person is entered as an individual as well as a contact for a company, ensure donations are entered for the appropriate entry in the database. In other words, if a donation is received from the *company*, record it on the *company* screen - not the *individual* screen. Note that you can only record sponsorships / donations for a company / organization using the “Main contact” record for that company / organization.

Click the “Sponsorships” button on the “Maintain names” screen toolbar (or press Alt and S together) to record sponsorships / donations. When this button is clicked, a new screen will open:

- If this person does *not* have any sponsorship history, the “Add sponsorship history” screen will appear. Enter all of the data required and press the “Save” button (or press Alt and S together.) The Sponsorship History screen will then open. Review the data and press the Close button.
- If this person *has previously given* a sponsorship / donation, the “Sponsorship History” screen for this name will appear. Click the “New transaction” button (or press Alt and N together) to enter a new sponsorship / donation.

Now, please navigate to any name in the database and the press Alt + S together. If this person or organization already has sponsorships / donations recorded, press Alt + N together to open the “Add sponsorship history” screen.


Completing the ‘Add sponsorship history’ screen

With this screen open, follow along with the description of each field.

Sponsorship / donation type

Select the sponsorship type from the drop down list. The types of donations / sponsorships that are available when you are recording sponsorships/ donations are dependent on the entity type. See “Data model” in the CharityMaster help system for particulars on entity types and “Maintain sponsorship types” for instructions on relating entity types and sponsorships types.

Payment Date

This is the date the donation / sponsorship was received. In the case of a *pledge* to donate, or if a sponsor asks you for an invoice, this will be the date of the invoice. You cannot enter a date directly into this field instead you must use the popup calendar to enter the date. Press  to open the popup calendar.

Payment method

Specify the method used to pay for the donation / sponsorship.

If you select a **credit card**, please note the following:

- The “Credit card info” screen will open. This screen allows you to enter or edit credit card information for a person. (CharityMaster does not accommodate company credit cards.)
- The credit card number must be a valid 16 digit number. (Some credit cards - e.g. American Express - have a different number of digits. CharityMaster currently accommodates only Visa and MasterCard.)
- If the expiry date has passed, this screen will display "Card has expired."
- If credit card information was previously entered for a person, CharityMaster will use that credit card information when recording all future credit card payments. If you wish to change the credit card, click on the “Delete” button to permanently delete the credit card information for this person and then enter the particulars for the new credit card.

If you wish to record a sponsorship or donation where the payment has not yet been received, select ‘Invoice’ as the Payment Method. The sponsorship / donation will be entered into CharityMaster and you can record the receipt of the payment at a later date. See “Apply payments to invoices” in the CharityMaster help system for instructions.

Amount

An amount must be entered.

Campaign / Source


Select the appropriate campaign / source from the drop down list. This field allows you to identify how the donation came to your organization. Examples of values that you might add to this drop-down list include:

- “Spring 20xx campaign.”
- “Web site.”
- “Matching funds by xxx Company.”

The values in this field can be very important data for your organization. Note that some sources are automatically assigned by CharityMaster.

You can add to or edit the values in this drop- down list: go to **File → Maintenance → Sponsorships / donations → Sponsorship sources**. See also the “Analysis of sponsorships by source” report.

Notes

Notes regarding this donation can be entered by clicking on the Notes button.  The Notes screen will appear. You can include information such as the specific purpose of the donation. If the sponsorship / donation type is "Donation 'in kind'" then you MUST record a description of the item(s) on this screen. For “Donations ‘in kind’”, you may also wish to record the basis of the valuation of each of the items.

Designation

CharityMaster can track donations that require special recognition. Such donations include donations in memory of someone or in honor of someone. When such donations are received, it is important to let the bereaved family or the honoree know about the donations that have been received.

When you receive a donation that is marked 'In memory of someone' or 'In honor of' someone, proceed as follows:

1. Set up a designation BEFORE you record the donation. See “Designated sponsorship maintenance” in the CharityMaster help system.
2. When you record the donation on the “Add sponsorship history” screen select “Designated donations” as the **Campaign / source**.
3. In the **Designation** drop-down list, select the designation you set up in stem 1. (You can also edit the designation later on the Sponsorship History screen.)

Periodically, you will want to inform the bereaved family members or the honoree about the designated donations that have been received. Use the “Designated donations” report designed for this purpose.

Anonymous donations

If a supporter wants *all* of their sponsorships to remain anonymous, put a check in the "Keep donations anonymous?" check box. This check box only controls how this name appears in the “Donors by giving level” report.

Description of benefit provided and Value of benefit provided

CharityMaster can take into account that a donor has received some sort of benefit when they have made a donation. In such cases, the tax authorities will require that any tax receipt issued be reduced by the amount of such benefit. The amount of the tax receipt is computed as follows:

- The tax deductible amount shown on the tax receipt is the difference between the amount

received from the donor and the value of the 'benefit' provided by your organization.

- If this difference is \$0 or negative, a tax receipt is not generated.

Save the transaction

Click the **Save** button (or press Alt and S together.) If you have a license for the optional QuickBooks Interface module, CharityMaster will automatically create a Sales Receipt or Invoice entry in QuickBooks as soon as you click the **Save** button. This ensures that CharityMaster is always in sync with your accounting records.

Correcting errors

If you have already saved a sponsorship / donation and then notice that there is an error in the entry, simply select the incorrect entry on the "Sponsorship History" screen by clicking on the appropriate row on the "Sponsorship History" screen. Then click the "Delete selected" button (or press the Alt and D keys together.) If the QuickBooks Interface module has been activated, the corresponding Sales Receipt or Invoice will also be removed from QuickBooks.

Special situations

Scheduled donations

Some people prefer to make donations on a periodic basis rather than as a lump sum. CharityMaster calls such donations "Scheduled Donations." Note that "Scheduled Donations" only apply to individuals not organizations.

Scheduled donations are NOT entered using the 'Add Sponsorship history' screen. To enter "Scheduled Donations" you must first enter a schedule. See "Setup / edit scheduled donations" in the CharityMaster help system for instructions.

A "scheduled donation" requires no further authorization or action by the donor on the basis that they have provided written authorization to take payments either from their credit card or from their bank account on the scheduled date or dates. CharityMaster will remind you when each payment is due. When you tell the system to process the payment, CharityMaster will enter the payment that was received and it will appear on the "Sponsorship History" screen with a check mark in the "Scheduled Donations" checkbox.

Gala: table sponsorships

- This section applies only when you have licenced the optional Event Management module.
- Where a *corporation* buys a table at an event with a seating plan, CharityMaster allows you to automatically add the table to the seating plan at the same time as you record the sponsorship.
- Tax receipts are not normally issued for this type of sponsorship since businesses can write off the whole amount as a marketing expense. If a tax receipt were to be issued, it could only be issued for a portion of the amount paid.
- Where an *individual* buys a 'corporate table,' the total paid should be split into two parts: Enter the sale of 10 (assumes there are 10 people at the table) individual tickets which are recorded as shown in the "Sell event tickets screen" topic in the help system. The balance of the total amount is treated as a financial donation since this amount should be posted to the 'Donations from Individuals' general ledger.

Auction donations

This category is used to track donations of items for live and silent auctions. Enter the retail value of the donation. If have licenced the optional Auctions Module, the auction donations for the current auction

are automatically entered when recording the sale of each item. See "Auction management overview" in the CharityMaster help system for more information.

Donations in kind

This category is used to record donations of goods and services 'in kind.' Examples include the gift of a computer, rent reductions, etc. See Donations 'in kind' in the CharityMaster help system for more detail. If you have licensed the optional Auction Management module, do NOT record donations to be sold at auction as "Donations in kind" since such donations will be entered by the Auction Management module.

Tax receipts

With the exceptions of "Scheduled Donations" and Donations 'in kind,' CharityMaster can produce a separate tax receipt for each sponsorship donation that has been entered on the 'Add sponsorship history' screen. Tax receipts for event tickets are dealt with in another tutorial.

If any payment for a donation has not been received - i.e. the payment method is still 'Invoice' - the tax receipt for that donation cannot be generated.

Steps to follow

1. Ensure that all donation receipts have been entered into CharityMaster.
2. Compare the dollar total on the appropriate accounting reports with the related General Ledger account(s) in your accounting system to ensure the totals are reconciled.
3. On the Tax receipts for sponsorships / donations screen specify the date range for which you wish to generate receipts. Then click on the 'Generate receipts' button. CharityMaster assigns receipt numbers starting at the next receipt number shown on the System setup screen. Once a tax receipt number has been assigned, it cannot be changed. If additional donations are recorded after you have generated the tax receipt numbers for date range, the Generate receipts button will assign a number to the additional transactions. Note that receipt numbers are assigned and a receipt is printed even if you do not have a complete mailing address for every sponsor / donor. **DO NOT PRINT THE TAX RECEIPTS UNTIL YOU HAVE CHECKED THAT COMPLETE ADDRESSES HAVE BEEN ENTERED FOR EVERY DONOR.**
4. To ensure that you have mailing addresses for all donors who made donations during the specified date range, use the 'Sponsorship / donation tax receipt' mailing report to check for valid addresses. Although a tax receipt can be printed for a name with a missing or incomplete address, a covering letter or mailing label cannot be created.
5. Print the tax receipts using the Tax receipts for sponsorships / donations screen.
6. Generate a covering letter and/or mailing labels using the 'Sponsorship / donation tax receipt' mailing list.
7. Print the 'Tax receipt listing for sponsorships / donations' report and file it as appropriate.

The tax receipts generated by CharityMaster are designed to fit in a number 10 window envelope.

Issuing duplicate or revised tax receipts

Follow the procedures in the 'Issuing duplicate and revised tax receipts' topic in the CharityMaster help system.

Support for solicitation of sponsorships / donations

Solicitation

A variety of letters / e-mails can be produced by either the Bulk Mailing Wizard or the E-mail Wizard. The following standard lists are available:

- Fundraising - previous donors
- Fundraising - individual prospects
- Fundraising - corporate prospects

Use the Bulk Mailing Wizard to produce the letters, list all of the names and produce mailing labels. If you wish, letters addressed to names with valid e-mails addresses can be suppressed and you will then use the e-Mail Wizard to send an e-mail version to those who have e-mail addresses.

Phone captains

Once a mailing has been sent out, “phone captains” can be assigned to follow up each letter. A Phone Captain is someone who is made responsible for following up solicitations of various kinds. You may wish to set up phone captains for all of the names in your database or for just the more important potential donors. To use this functionality, you must:

- first set up one or more people as phone captains, and
- then assign one or more names to that phone captain. You should probably not assign more than eight or ten people to any given phone captain.

For more information on the concept of phone captains and how to set them up, see the “Phone Captains” topic in the CharityMaster help system.

We hope you enjoyed this tutorial. All of this information is also available in the CharityMaster help system. Press the F1 key on any screen to get the information you need.