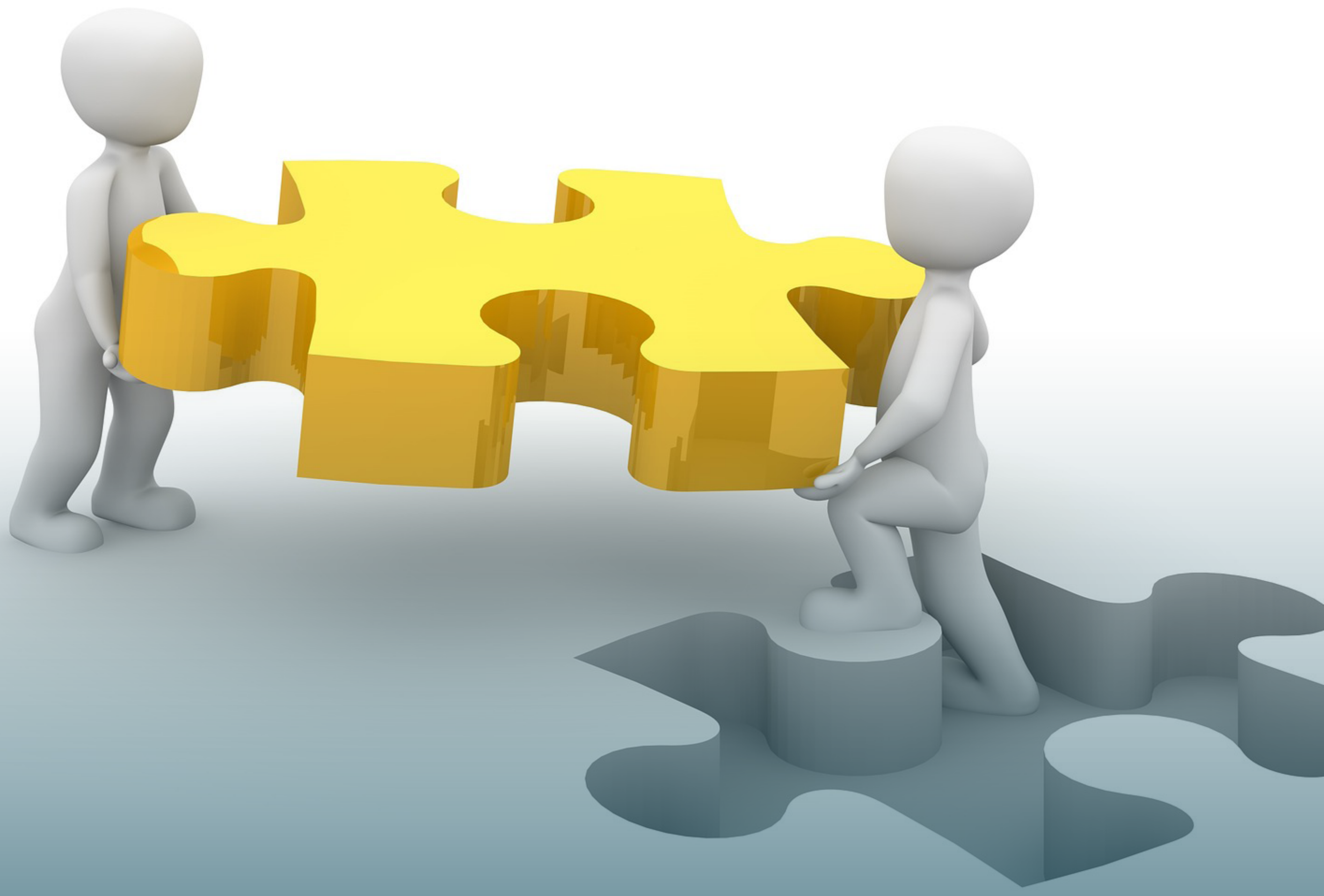
How to Partner With Nonprofits on Effective CSR and Cause Marketing Campaigns

Best practices to achieve compliant, collaborative impact.



In today's corporate landscape, companies wield a unique power. They stand at the crossroads of meaningful change, armed with the capacity to empower nonprofits and foster goodwill – both internally and externally.

These two facets of corporate giving and social impact are not just commendable – they are essential. In an era where employees increasingly expect corporate support for causes, and consumers actively seek businesses with genuine, mission-driven objectives, companies must not only root themselves in impactful mission statements and causes but also substantiate their impact.

- Internally, companies bolster their social responsibility by cultivating robust CSR initiatives that not only serve as a testament to their commitment to societal betterment but also forge tight-knit communities amongst their employees.
- Simultaneously, external cause marketing campaigns motivate companies to harness the collective force of their customers and broader community, inviting others to engage in impactful acts of charity.

This whitepaper delves into the intricacies of partnering with nonprofits on giving, volunteering, and cause marketing campaigns, dissecting the significance of both employee and customer engagement. It will first explore how to build flexible and trust-based partnerships as well as emphasize the importance of compliance for both internal and external campaigns.

It then outlines some guidance on navigating the evolving landscape of corporate social responsibility and shares how we can maximize impact through powerful collaboration. We aim to equip businesses with the necessary knowledge and tools to build effective nonprofit partnerships and emerge as catalysts for meaningful change.

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Aligning on Missions and Scope of Impact

Selecting the right nonprofit partners begins with identifying organizations whose missions, values, and scope of impact align closely with your company's CSR strategy. This alignment develops a stronger sense of purpose and ensures that both parties are working toward a common goal.

Here is what to keep in mind:

- **Establish Your CSR Mission Clearly:** Make sure that your company's CSR mission is well-defined and aligned with your core values and business goals.
- **Identify Key Focus Areas**: Determine the specific causes that matter most to your company and your stakeholders (including both your employees and customers). Seek nonprofits whose missions complement these focus areas.
- **Review Impact Metrics:** Examine the nonprofit's track record of impact, such as the number of beneficiaries served, outcomes achieved, and long-term sustainability. This is necessary to confirm the program's effectiveness is in line with expectations.
- **Assess Scale and Scope:** Decide if the scope of your charitable contributions relative to the charity's size and impact is at a level that you are comfortable with.
- **Engage Your Employees:** Involve your employees in the selection process through a poll on the top identified options. Their input and passion can help identify nonprofits that resonate with your workforce.

Building Flexible and Trust-based Partnerships

Having an agile experimentation mindset and fostering trust-based partnerships can yield significant benefits. These approaches allow you to test the waters, build relationships based on transparency, and create lasting results.

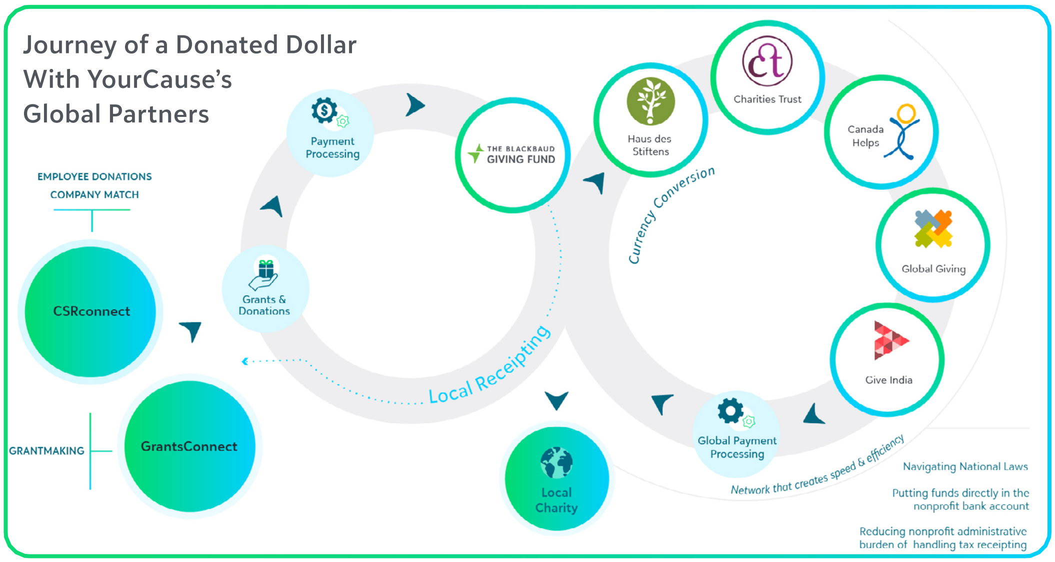
- **Pilot Programs:** Consider starting with small-scale pilot programs before committing to longer partnership commitments. These can help assess compatibility and demonstrate the potential for collaborative success.
- **Flexibility and Learning**: Leave space for experimentation and learning. Be open to adapting your CSR strategies based on open feedback loops and insights gained during initial discussions.
- **Building Trust:** Trust is the cornerstone of effective partnerships. Foster trust by engaging in honest communication, respecting the autonomy and expertise of nonprofit partners, and delivering on commitments.

Ensuring Compliance: Vetting and Disbursement Management

When selecting your nonprofit partner, it is imperative to do your due diligence and take the appropriate compliance measures. One big piece of that is the vetting process: verifying that the charity is registered, validating financial statements, screening against any sanction lists and watchlists, and confirming ethical and legal standards are being followed.

Streamlined disbursements of financial support such as donations or grants are another aspect of effective partnerships with nonprofits. Getting charitable dollars from point A to point B can be much more cumbersome than it looks, especially when sending money overseas due to varying laws across countries as well as currency exchange and transaction fees.

Having a trusted partner to help you navigate the regulatory landscape, ensure that charities are compliant and reputable, and manage the ins and outs of checks and electronic payments can save you a lot of time and headache.



Companies of all shapes and sizes leverage our YourCause CSRconnect™ & GrantsConnect™ platforms to power their philanthropic initiatives, from engaging employees in giving & volunteering to managing corporate donations.

At YourCause, we partner with the Blackbaud Giving Fund and Global Giving to manage our charitable donations, as well as several international partners like Charities Trust, CanadaHelps, and Haus de Stiftens. This network of domestic and global partners helps us ensure that charitable donations get to their intended destination quickly and securely.

Charities in our GlobalGiving and Blackbaud Giving Fund databases are vetted through a process known as Equivalency Determination (ED) in order to make an organization eligible for giving. This means we vet to the standards of US 501c(3)s in accordance to IRS guidelines. All our in-county global partners are vetted to 'ED' standards who are able to vet their database of charities to local standards.

- ✓ 7.5+ Million NPOs in our database, with validated organizations in 158 countries
- ✓ Compliant global vetting
- ✓ Vetting resources translated into 26 languages
- ✓ GDPR compliant
- ✓ Network of vetted Global Partners

Ensuring Compliance: Cause Marketing Campaigns

A cause marketing campaign is a strategic partnership between a for-profit company and a nonprofit organization or social cause. In a cause marketing campaign, these two entities collaborate with the shared goal of promoting a particular cause and often, generating funds for the nonprofit. Examples of cause marketing include charitable round-ups at checkout, charitable sweepstakes, donating a percentage of profits to a charity, co-branded materials between a nonprofit and for-profit, and more.

Ensuring compliance is paramount when running a cause marketing campaign. Many U.S. states have strict regulations for businesses that participate in campaigns like the ones mentioned. One in particular is the need to register as a commercial co-venturer (CCV).

A CCV agreement should be made when a for-profit business collaborates with a nonprofit to conduct a cause marketing campaign or charitable sales promotion. In such partnerships, the for-profit company promotes a specific product or service, and a portion of the sales or profits generated from that promotion is pledged to the nonprofit or charitable cause. Risks of not adhering to state regulations can include hefty fines, unfavorable press coverage, and cease and desist letters from state regulatory agencies.

Before launching a cause marketing campaign, businesses should take care to understand their legal obligations in order to maintain legal compliance. Here are five key points that every business should keep in mind:

1

Register

To ensure compliance, register as a commercial co-venturer (CCV) in every state where you sell products and request donations, even in states where you lack a physical presence. Provide comprehensive information on each charity involved. Note that certain states require pre-campaign filings with the Secretary of State. Registration entails submitting forms detailing your nonprofit partnership and covering associated registration fees.

2

Have a contract

A formal contract with the charity is essential. It should outline key elements, including the charitable campaign's purpose, offered goods/services, campaign scope, payment terms for the charity's share, and state-specific requirements.

3

Detailed disclosures

Ensure your campaign's advertising transparently communicates the per-unit or percentage amount benefiting the charity. Adhere to specific rules for disclosure documents. Importantly, when consumers donate on your website, disclosures must be as prominent as other business terms and conditions during the purchase process to maintain transparency and fairness.

4 Detailed recordkeeping

Maintain meticulous financial records for the campaign, including consumer collections, expense allocation, and charity distributions. These records should be readily available for inspection by the Secretary of State or Attorney General upon request.

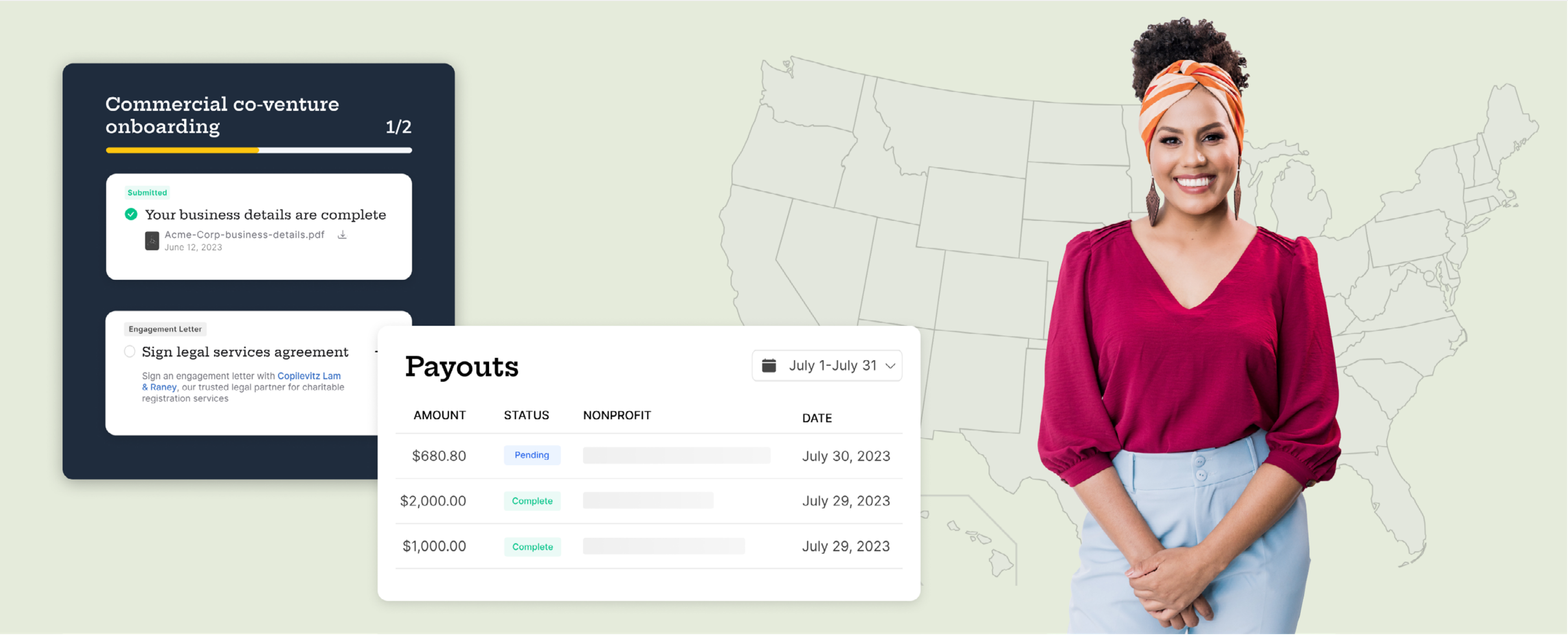
5 Detailed reporting

After concluding the campaign, submit a final accounting report to the Secretary of State or Attorney General, typically within 90 days (varies by state). This report covers standard filing information and details of your nonprofit campaign involvement.

Compliance obligations can quickly become burdensome for companies that don’t have dedicated personnel and resources.

At Change, we understand the significance of these compliance requirements. With access to a vast network of over 400,000 pre-vetted nonprofits, our platform streamlines the process of finding suitable charitable partners for your cause marketing campaigns. We cross-reference lists like OFAC and the SPLC list to ensure that your partnerships align with legal and ethical standards. We also provide white-glove service to those who must register as a commercial co-venturer and walk our customers through the differing state regulations that apply to them.

Our commitment to simplifying compliance lets companies focus on the heart of cause marketing campaigns: making a lasting, meaningful impact on the greater community.



Guidance on Partnerships: Volunteering, Giving, and Cause Marketing

Partnering with a nonprofit can take many forms with corporations and employees volunteering their time and talent, or offering financial support through donations and grants. These are some considerations on how to maximize the impact of your partnerships:

Volunteering

1. **Identify Needs:** Pinpoint the resource constraints from a staffing and skills standpoint that would gain most from volunteer support. Corroborate this with any unique skills that your employees may possess to develop a more valuable partnership.

2. **Project Planning:** Build out project plans with your nonprofit partner for volunteering events. Define objectives, timelines, and expected outcomes to keep efforts focused.

3. **Collaborative Training:** Work with your charity partner to arrange training or orientation sessions for your employees participating in volunteering activities. Relay the nonprofit's mission, their roles within the program, and any specific skills or knowledge required.

4. **Incentivize Engagement:** Contemplate methods to motivate employee volunteer engagement, such as volunteer of the month awards, volunteer grants or pledges, and volunteer for vacation.
   - ***Real-life example:*** *Southern Glazer pledged $25 for each employee volunteer hour recorded within the VolunCheers Online platform (powered by YourCause) during their campaign period, and an additional $50 for the first 500 employees that registered.*

5. **Regular Communication:** Maintain open lines of communication with the nonprofit. Schedule regular meetings to review progress, share feedback, and make any necessary adjustments to the volunteering program.

6. **Recognition and Reporting:** Highlight the contributions of both your employees and the nonprofit. Share success stories, showcase the difference being made, and use these stories to engage employees and promote the partnership.

Giving

1. **Establish Donation Types:** Decide if your financial support to your charity partner will be through employee donations and fundraising, corporate grants, employee-funded grants, or a mix of these various initiatives.

2. **Forge a Trust-Based Relationship:** Consider a trust-based approach that enables your nonprofit partner to allocate funding as per their expertise and needs, while maintaining the appropriate involvement and oversight. Regularly update them on your CSR objectives and progress, and inquire about their evolving needs and priorities.

3. **Matching Program Setup:** Setting up a company-funded program to match employee donations or fundraisers towards your charity partner can underscore your company's commitment and incentivize greater support. Outline the criteria for matching, such as donation limits, frequency, and eligibility.

4. **Communication Strategy:** Use various communication channels, such as email, company intranet, and social media, to educate employees about the partnered program and promote the benefits of participation.

5. **Impact Assessment:** Collect any data that your charity partner has available on the outcomes achieved through your donations. Share this information with employees to demonstrate the value of their contributions.

6. **Transparency in Reporting:** Implement a transparent reporting system that tracks employee donations and company matching contributions. This can empower efficient impact reporting with your partner and evaluate the cumulative impact of these donations on your broader CSR goals.

Cause Marketing

Cause marketing campaigns can be beneficial to the success of a business. Your customers care about the external work that your company does to help the community. Here are some creative ways for your company to engage with charities and give back:

1. **Round-ups at checkout:** This is a classic example of cause marketing that you may have seen at your local grocery store or pharmacy. Customers are asked to round up their purchase to the nearest dollar, with the difference donated to a charitable cause. By adding a small checkbox at an online checkout, companies can generate impact over time – a couple of cents multiplied by thousands of consumers can result in a large impact.

2. **Loyalty program donations:** To reward loyal customers, many companies provide perks and special rewards. These may include items such as a custom tote bag, a coupon for a free item, or the chance to donate your points to a nonprofit of your choice.
   - ***Real-life example:*** *Vitamins company Care/of lets its members donate accrued loyalty points to a charity. From One Tree Planted to The Breasties, there are many important nonprofits to choose from.*

3. **Product sales donation:** In this type of campaign, a portion of sales proceeds from a specific product or service are donated to a nonprofit. For example, for every product sold, $1 is donated to a charity. Similar to a round-up, this small donation – multiplied by thousands – can amount to a sizable donation.

4. **Fundraisers for urgent causes:** When disaster strikes, help is on the way. Consumers care about the world around them and get excited by creative ways to support important causes that need money now and urgently. Harness the power of social media and word of mouth for these kinds of causes. You'll want to rely on engaged and concerned citizens to share information about your fundraiser.

5. **Co-branded products:** If your company has a close relationship with a nonprofit, this would be a great option. Companies may collaborate with a nonprofit to create co-branded products or limited-edition items, with a portion of the proceeds going to the cause.
   - ***Real-life example:*** *Lokai releases limited edition bracelets in collaboration with nonprofits like the Humane Society of the United States and the National Alliance on Mental Illness (NAMI).*

Prioritizing Mental Health Through Community-driven Donations at Checkout

Read Here

6. **One-on-one relationships with charities:** Selecting a handful of nonprofits to support and forming yearlong partnerships with them.
   - ***Real-life example:*** *Topicals launched a Mental Health Fund that awarded five women-founded organizations with funding that support mental health within BIPOC communities. Together, Topicals will partner with each of the five organizations to create programming that encourages well-being and builds safe spaces that foster community building, combat loneliness, and establish genuine relationships. Topicals donates 1% of profits to this Fund. By selecting just five organizations to support, they're able to build meaningful impact throughout the year, becoming close with the communities they support. They hosted in-person events as well as following up with the communities virtually.*

From employee engagement in giving and volunteering to corporate grants and leveraging customers through cause marketing, social impact programs are always stronger through effective and compliant partnerships with nonprofits.

Technology serves as a pivotal enabler in these initiatives. Find out more about YourCause and Change below.

YourCause® from Blackbaud

At YourCause we have been helping companies support employee engagement initiatives that connect to corporate purpose and drive meaningful change towards critical social issues since 2007. We support over 500 organizations from Fortune 500 companies to small and medium sized business to drive employee engagement in giving, volunteering, DEI programs and more. Our clients in the Global Good Network™ engage employees from 116 countries with opportunities to drive social impact. The tips, best practices and resources are curated by our team of experts that help companies maximize the use of the YourCause platform, launch new programs, grow and scale.

LEARN MORE ›

CHANGE

Change is the leading donation processing platform that enables companies to engage a new generation of socially conscious consumers. With Change, organizations can seamlessly donate to 400,000+ charities, process instant payouts, maintain regulatory compliance, and track donation data in real-time. Change integrates anywhere you can spend a dollar, making it a suitable solution for charitable round-ups at checkout, loyalty program points donations, complex fundraising campaigns, and more.

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