



student action on world poverty and the environment

Guidelines for Fundraising from Corporates

Version 1.4

Do not edit this document.

Send updates to the Fundraising Manager.

Approved by Management Committee July 2006

People & Planet Ltd.

Guidelines for Fundraising from Corporates

1 Preamble.

- 1.1 People & Planet is seeking to diversify its funding base to become less reliant on grants from charities and NGOs. Corporate funding is at a proportionately low level and therefore there is room to expand this source of funding.
- 1.2 The People & Planet network has expressed its strong desire that the organisation must be funded from ethical sources. The staff team has a duty to respect this and act accordingly.
- 1.3 People & Planet staff should exercise every effort to conform to the principles and practices laid out in this document.
- 1.4 Opportunities to form partnerships may arise in such a way that they preclude the procedures described in these guidelines from being followed exactly (e.g. when an offer is made and must be accepted or rejected within a very short space of time).
- 1.5 In such cases, the guidelines should be followed as closely as practically possible. As a minimum, such 'fast track' decisions should be agreed at a meeting of the Management Team (such as are available at short notice) and agreed to by at least one permanent and one student member of the Management Committee (or one Trustee if the relationship is to be with the People & Planet Trust).

2 Basic Principles

2.1 Funding may be sought from private or public companies providing that:

- Reasonable steps have been taken to ensure that the company's core business and reputation do not contradict with People & Planet's values or current or planned campaigns.
People & Planet values are contained in the current Strategic Review.
The Campaigns Manager should be consulted for details of current or planned campaigns.
- The above point also applies to other companies that own or have a controlling stake (i.e. are members of the managing board) in the company being considered for sponsorship.
- Entering an agreement will not have a significant detrimental effect on People & Planet, either in terms of negative publicity, or excessively onerous or restrictive contractual conditions.

2.2 People & Planet must maintain, and be seen to maintain, independence from excessive corporate influence. To ensure independence the levels of corporate sponsorship are set as follows:

- A maximum of 20% of People & Planet's income in any one year should come from corporates.
- A maximum of 10% or £50,000 (whichever is the greater) of People & Planet's income in any one year should come from any one corporate.
- The source and level of donations should be made public (i.e. to the People & Planet student network).

3 Which Companies may be Approached?

3.1 Companies that will be considered suitable to be approached will fall into two categories:

- **Category One:** Those where there is an close match with the **principles and activities** of People & Planet (*these companies will be treated preferentially and do not require such in-depth research as category two companies*).

Examples:

- *Good Energy Company* - All they do is supply renewable energy. This fits exactly with the climate change campaign.
- *Fairdeal Trading* - Distribute fairly traded shoes. This fits exactly with the fairtrade

campaign.

- **Category Two:** Those companies where there is a close match with the **principles** of People & Planet.

Examples

- *Meridian Foods* - Organic food supplier. This is a close fit with our environmental campaigning.
- *Co-operative Group* - Do virtually everything! They are led by their members, membership is open to all, and they have various 'ethical' policies that are in line with People & Planet principles.

3.2 Companies that do not fit into either of these categories should not be approached.

3.3 Companies that approach People & Planet should undergo the same checks and decision-making process as those that People & Planet approach.

3.4 Affiliate corporate partners are commercial organisations that will pay People & Planet on a commission basis. For example, a company may agree to pay People & Planet a set percentage of sales from customers that have heard about their shop from People & Planet. Since income from affiliate partners are totally dependant on the activities of People & Planet supporters, it is acceptable to approve corporate affiliate deals with a much lighter touch than other corporates. The guidelines for affiliate deals are in Section 7 of these Guidelines.

3.5 Event corporate partners are those organisations that will be accepted to have stalls at People & Planet events. They are to be treated in the same way as affiliate corporate partners - see Section 7 of these Guidelines.

4 Which Companies will not be Approached?

4.1 People & Planet will not consider approaching companies:

- Whose aims, objectives, policies, lobbying positions and actions conflict with those of People & Planet.
- That are currently the target of negative People & Planet campaigning (i.e. People & Planet is actively campaigning against the company).
- Where a public relationship between People & Planet and the companies would:
 - Conflict with our aims or diminish our impact (including campaign aims and impact).
 - Damage People & Planet's reputation or credibility.

These principles will also be applied to those companies wholly owning or owning significant shares in the company being researched.

5 Process for Making Decisions on Approaching Corporate Funders

5.1 Overview

5.1.1 These guidelines describe a four step process:

- Research
- Decision to approach a company
- Negotiating and entering a contract with a company
- Managing the contract

A flow chart of this process is attached as Appendix I.

5.2 Research the Company

5.2.1 Research will be initiated by the member of the Fundraising Team with responsibility for leading on corporates (although all suggestions are always welcome). Bearing in mind

capacity restraints within People & Planet Ltd., the 'research' phase should take up no more than 1-2 working days. Information researched will, as a minimum (i.e. for Category One companies), include:

- Details of who owns or has a controlling stake in the company (the owner agencies). Details of other companies owned or controlled by the owner agencies.
- Brief description of the company's current and past activities.
- The annual turnover and profit of the company.
- Contact details for the company.

5.2.2 In the case of Category Two companies, research should also include:

- Greater detail on the company's current and past activities.
- Details of the company's policies as they relate to People & Planet aims, objectives and actions. Policies may include environmental, diversity, labour rights and general ethical policies as well as lobbying positions.
- Details of other organisations and people that the company is affiliated or otherwise associated with.
- Details of charities or NGOs that the company supports.

5.2.3 The researcher should use appropriate sources of information for the research, including sources that the company does not control. Potential sources of information are attached as Appendix II.

5.2.4 The researcher should summarise their findings in a short report to the Management Team. The report should include:

- A table giving an overview of how the outcomes of research relate to these guidelines.
- A recommendation to approach the company or not.
- A narrative of the research conducted and the implications thereof.
- Potential sponsorship deals that could be offered to the company including the following information:
 - Type and level of visibility People & Planet would offer the company.
 - The duration of the package.
 - The suggested level of income that should be sought.
 - The implications of each package in terms of:
 - Not exceeding the maximum level of corporate donations to People & Planet as set out in section 2.2 of these Guidelines.
 - Maintaining People & Planet's independence and the appearance of independence (e.g. a People & Planet Action Guide should look like one, and not look like a marketing exercise by sponsors).
 - Potential conflicts with other actual or potential donors (corporate or otherwise).

A sample report is attached as Appendix III of these guidelines.

5.2.5 If, at any point during this research, details are found that cause the researcher to question the companies suitability as a sponsor of People & Planet the researcher may suspend the research. The Fundraising Manager should be informed as to why the researcher considers the company to be unsuitable. The Fundraising Manager may consult the Management Team at his or her discretion and should reach one of three decisions:

- Stop researching and do not approach the company.
- Research the issue(s) why the company was considered unsuitable in more detail and report back to the Fundraising Manager.
- The suitability question is not relevant to People & Planet. Continue researching with a view to approaching the company.

5.3 Decide if the Company is Suitable and Set Limits for Negotiation

5.3.1 On receipt of a corporate research paper the issues that Management Team should consider are:

- Is the company considered suitable?
 - Does it fit into either of the categories in Section 3.1?
 - Is the company affiliated or otherwise associated with any other organisation or individual with whom People & Planet would not want to be associated with.
- What type of promotional packages should be offered to the company?
- What is the target income from these packages?
- What is the minimum income from these packages?

5.3.2 The Management Team may also like to consider the following (although these issues will be returned to after negotiation and before a contract is signed):

- Is the level of managerial control that the company expects appropriate and does it offer good value for money to People & Planet?
- Is the level of visibility the company expects appropriate and does it offer good value for money to People & Planet?
- How will the company promote their relationship with People & Planet, and what are the likely consequences of this?

NOTE: The above points above should also be considered in light of current and future arrangements People & Planet have, or may have, with other companies. For example, if one company gets a lot of visibility for a small amount of money other companies may expect similar deals or entering into an agreement with one company may reduce the chances of entering into an agreement with another company.

5.3.3 The Management Team may, at their own discretion, refer the issue on to the Management Committee. The Management Committee should consider the same issues as the Management Team and any others that they feel are relevant.

5.3.4 The Management Team or Management Committee may instruct staff or other people to do further research before making a decision. Under these circumstances the Management Team or Management Committee should clearly state the areas requiring further research. It would be helpful if they also stated what concerns had led them to request further research.

5.3.5 The Management Team or Management Committee may, at their own discretion, directly consult with the People & Planet staff team, Regional Representatives, the whole network or other agents or agencies. The Management Committee may instruct the Management Team to do the consultation. The body which decides to consult should decide on what level of consultation is best suited to making a decision. The Management Committee may delegate this to the Management Team.

5.3.6 Throughout the decision-making process, opportunity costs and benefits should be considered. For example, if a decision (or the research required to make a decision) is highly complex and the amount of funding relatively low, it may be best to not seek funding from the company and use the time up for more profitable work.

5.3.7 If the company or potential contracts are deemed unsuitable the justification for this decision should be recorded (to avoid duplicating work).

5.3.8 If the company and potential contracts are deemed suitable the Fundraising Manager will assign a member of staff to approach the company and negotiate a contract.

5.4 Negotiating and Entering a Contract

5.4.1 Current records of all negotiations (past and current) should be kept by the Fundraising Manager. These records will be used to ensure that maximum levels of corporate donations, maximum levels of promotion are not exceeded and that work is not duplicated.

5.4.2 Negotiations that go beyond the limits agreed by the Management Team or

Management Committee should be referred to the Management Team or Management Committee as soon as practicably possible and guidance sought as to how to move the negotiations forward or to stop the negotiations.

5.4.3 The following points should be included in any sponsorship contract.

- The contract should include to what extent the company can promote its association with People & Planet.
- The contract should make it clear that People & Planet are not directly endorsing the company or any of its products or services.
- Payment by the company must be in advance of any promotion by People & Planet. This may be staggered throughout any single year but must always be at least one financial quarter in advance.
- The company may wish to have a clause allowing it to reclaim money if People & Planet do not meet the publicity requirements. This clause should be accepted.
- People & Planet will retain the right not to promote anything in such a way that it may cause offence or act against the aims or campaigns of People & Planet.
- Under no circumstances will companies be given editorial control or influence over the content or style of People & Planet materials.
- Contracts should contain a clause allowing either party to terminate the contract by giving a specified term of notice.

5.4.4 In general, exclusive arrangements should not be entered into. Exclusive arrangements are where Corporate A will sponsor People & Planet on the condition that Corporate B (and C and D ...) is not allowed to sponsor People & Planet. Exclusive arrangements may be entered into where a cost benefit analysis shows that this is the best option for People & Planet. The cost benefit analysis should include non-financial factors (e.g. People & Planet's reputation or impact on existing relationships).

5.4.5 The member of staff that has conducted the negotiations should report on the results of the negotiations to the Management Team before any contract is entered into.

5.4.6 The Management Team shall make the final decision on whether to enter a contract following the same principles as Sections 5.3.1 - 5.3.7 (Section 5.3.2 must be considered at this stage).

5.4.7 The People & Planet staff member authorised to sign a sponsorship contract is the Director. The Director will pass the contract to the Fundraising Manager.

6 Managing the Contract

6.1 The Fundraising Manager is responsible for ensuring that a member of staff is assigned to manage the contract. The contract manager is responsible for the following:

- Maintaining and developing the relationship between People & Planet and the corporate sponsor.
- Ensuring that details of the contract are properly recorded in electronic and paper filing systems.
- Obtaining suitable text and graphics from the company.
- Informing the member of staff that is, or will be, producing materials of how they must incorporate company promotions into materials and monitoring that this is done.
- Reporting back to the company (i.e. informing the company of how they have been promoted and sending samples). This should be done at least once every year.
- Ensuring that People & Planet receives payment as detailed in the contract.
- They may also be required to check that the company is adhering to the contract, especially in the way that the company promotes its support of People & Planet.

6.2 The Fundraising Manager should review all contracts lasting more than one year at least annually.

7 Affiliate & Events Corporate Partners

7.1.1 Affiliate & events corporate partners should be companies whose activities generally support the aims of People & Planet - for example, goods that support poor people in developing countries, 'environmentally friendly' items, general companies with good ethical practices.

7.1.2 Section 4 of these Guidelines (Which Companies will not be Approached?) should be followed.

7.1.3 A contract should contain the following:

- The contract should include to what extent the company can promote its association with People & Planet.
- The contract should make it clear that People & Planet are not directly endorsing the company or any of its products or services.
- People & Planet will retain the right not to promote anything in such a way that it may cause offence or act against the aims or campaigns of People & Planet.
- Contracts should contain a clause allowing either party to terminate the contract by giving a specified term of notice.
- Exclusive arrangements should not be entered into.

7.1.4 Since the likely income from any one affiliate or event partner is likely to be low, People & Planet should be mindful of the amount of publicity and promotion that is given to affiliate or event partner and not to provide excessive publicity and promotion.

7.1.5 In the event that a People & Planet supporter objects to a particular affiliate or event partner the Management Team should seriously consider ending the partnership. Before making this decision the Management Team may wish to consult with the student network. In any event, the person making the objection should receive feedback on what decision has been taken and why.

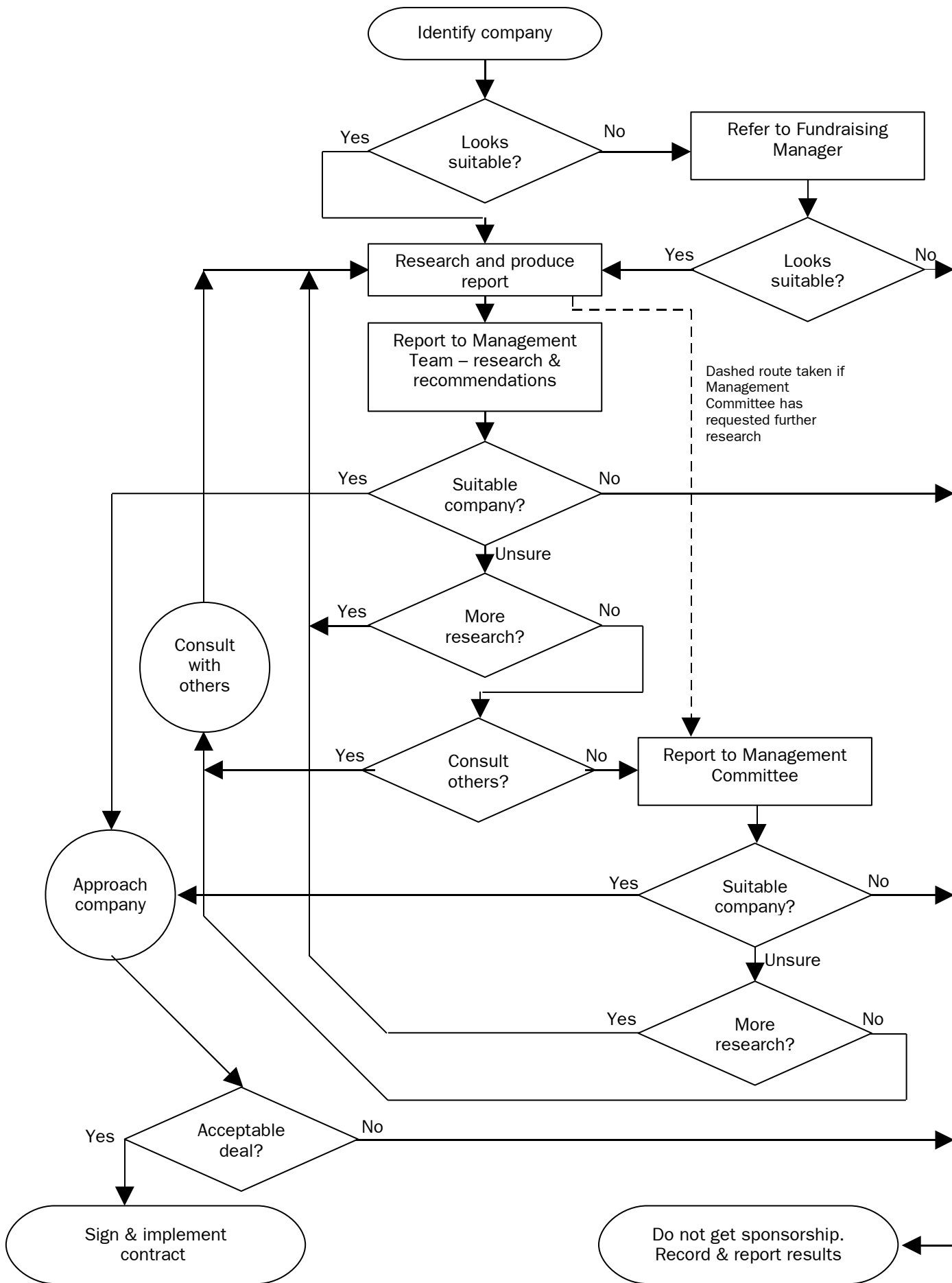
8 Monitoring & Maintaining These Guidelines

8.1 The Management Committee is responsible for adopting these Guidelines and approving any revisions.

8.2 The Director is responsible for ensuring that these Guidelines are adhered to by staff and reporting this to the Management Committee. The Director is also responsible for seeking the Management Committee's approval for any revisions to these Guidelines.

8.3 The Fundraising Manager should ensure that these Guidelines are up to date and relevant (e.g. that they are legal, that they represent the best interests of People & Planet, that they are practicable). The Fundraising Manager should recommend any revisions to the Director for consideration by the Management Committee.

Appendix I: Flow Chart



Appendix II: Examples of Sources for Research

This list is for information purposes only - it should not be seen as compulsory nor exhaustive

People

- People & Planet staff team.
- People & Planet Regional Representatives.
- Employees & volunteers of other NGOs.

Internet Based

- Corporate Critic - <http://www.corporatecritic.org/login/welcome.aspx>
On-line database with ethical records on companies. Charged at £25 per day.

General Info

- Yahoo Finance - <http://finance.yahoo.com/>
- Companies House - <http://www.companieshouse.gov.uk/>
- Corporate Watch - <http://www.corporatewatch.org.uk/>
- Corp Watch - <http://www.corpwatch.org/>

Other Campaigning Groups

- Amnesty International - <http://www.amnesty.org/>
- Human Rights Watch - <http://www.hrw.org/>
- Campaign Against the Arms Trade (CAAT) - <http://www.caat.org.uk/>
- Friends of the Earth - <http://www.foe.co.uk/>
- Greenpeace - <http://www.greenpeace.org/international/en/>
- War on Want - <http://www.waronwant.org/>
- World Development Movement - <http://www.wdm.org.uk/>
- Free Tibet Campaign - <http://www.freetibet.org/>
- Free Burma Coalition - <http://www.freeburmacoalition.org/>

Books

- Good Shopping Guide (published by the Ethical Marketing Group)
- The Compassionate Shopper (published by Nature Watch)

Appendix VI: Sample Research Report

Company Profile: Good Energy

Graham Gillions on 9 September 2005

Summary

<i>Criteria</i>	<i>Result</i>	<i>Passed?</i>
Is there an exact or close match with P&P activities? (3.1)	Yes - exact	✓
Do their aims, objectives, policies & practices conflict with those of P&P? (4.1)	No	✓
Are they the target of a negative P&P campaign? (4.1)	No	✓
Would a public relationship diminish P&P's impact or reputation? (4.1)	No	✓

Numbers in brackets refer to the Guidelines for Fundraising from Corporates.

Recommendation: You are recommended to approve approaching this company and offer sponsorship packages as detailed in 'Potential Partnership with P&P' below.

Company Overview

Good Energy supply exclusively from renewable energy to homes and businesses in Britain.

They purchase energy from many suppliers using wind (78%), small-scale hydro (21%) and solar photovoltaic (1%). They have a preference for small schemes and promoting home generation. They are aware that renewable energy may have other environmental consequences and take this into account when selecting suppliers. They support the development of new generation methods such as biomass, wave, off-shore wind and tidal. [1.1]

They retire 100% of LEC's and retire up to 10% of ROC's (actual is 7%) [1.1 & 1]. This prevents double counting in the renewables market and therefore promotes renewable generation.

They have around 10,000 customers [4].

Good Energy are on FoE web site as a recommended supplier [5].

More info from Good Energy's press pack - 'Background Information' is attached as Appendix 1 of this report.

Ownership

Good Electricity is owned by the Monkton Group PLC.

Monkton started in 1997 with the aim to "promote and stimulate the UK renewable energy market" [2]

The Monkton group is owned by shareholders. "As at 20th July 2004, the issued share capital was 6,748,900 ordinary voting shares of which the Board together own 25%, with 75% owned by the Public. There are no Institutional shareholders. As at 20th July 2004, there were approximately 1,160 shareholders" [2].

Published Company Policies & Reports

Good Electricity produce a (comprehensive looking) Environmental Report on their web site. The latest is for 2004. \\Ft\home\Corporate FR\Good Energy\GoodEnergy_Reports\2004_GoodEnergy_EnvironmentalReport.pdf

They also produce a quarterly newsletter.

Monkton publish their annual report on their web site. The latest is for 2003.

\\Ft\home\Corporate FR\Good Energy\GoodEnergy_Reports\2003_Monkton_Annual_Rpt.pdf

Linked Companies

The Monkton Group also own Windelectric (operate wind-powered generators).

Good Energy list suppliers on their web site.

Corporate Watch Check

No negative results from searching web site for "Good Energy" or "Monkton" [3].

Financial Figures for Monkton Group (year end 31 Dec 2004)

Turnover:	3.1 million
Gross profit:	925 k
Operating profit (loss):	(3 k)
Retained profit carried forward:	335 k

Shares sell-off in 2004 raised £1 million which will be invested in promoting and developing renewable energy [2].

Recommended Sponsorship Opportunities

1. Campaign sponsorship - either of the overall programme or of the Financing Fossil Fuels strand (the latter is preferable since it would offer more focused sponsorship)

2. Shared Planet 06 sponsorship - there will be a very strong climate change theme.

The two opportunities are not mutually exclusive.

The company made a loss in 2003, however this will (at least in part) be off-set by a share release in 2004 (generated £1 million). The company still seems eager to invest in promoting as well developing renewables. The promotion angle would be the best approach.

Potential Income

The value of sponsorship should reflect the number of opportunities that Good Energy are interested in. It should be recognised that they may want to enter at a low level and 'test the waters' before fully committing to sponsoring a whole campaign. In this instance care should be taken that they are not offered permanent opportunities for small amounts of money (a permanent opportunity is one that could exist after a period of funding had expired - e.g. campaign action guides are used over many years and ideally should not be offered as part of a small one year deal).

We should be looking at between £5k and £50k (per annum for campaign sponsorship) depending on what they are interested in sponsoring.

Sources

[1] Good Energy web site [<http://www.good-energy.co.uk>]

[1.1] Good Energy Environmental Report 2004

[2] Monkton Group web site [<http://www.monktongroup.co.uk>]

[3] Corporate Watch web site [<http://www.corporatewatch.org.uk>]

[4] Yahoo Finance web site [<http://finance.yahoo.com>]

[5] Friends of the Earth web site [<http://www.foe.co.uk>]