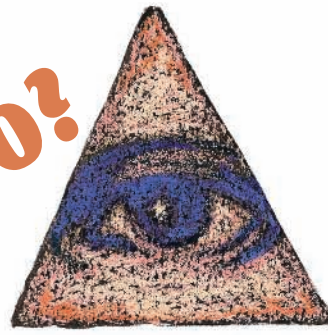
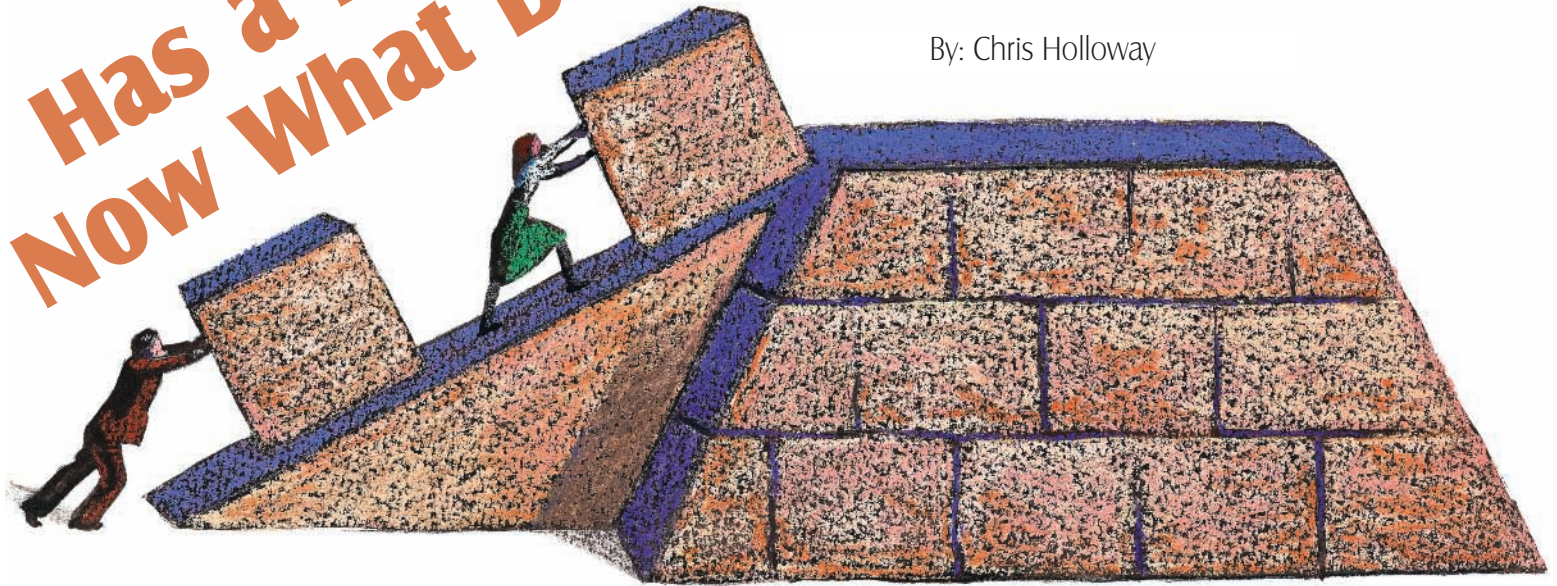


# Our Fair Has a Foundation! Now What Do We Do?



By: Chris Holloway



Over the years the benefits for a fair foundation have been touted at various IAFE meetings. Simply put, a foundation is a non-profit entity established from donated funds for the purpose of supporting a specific cause. In 2007, there were 1.7 million qualified non-profits in the United States that collected \$306 billion in contributions. These non-profits are organized and operated for purposes that are beneficial to the public interest. Reasons for creating a foundation include:

- Advancement of education and science;
- Creation or maintenance of public buildings or monuments; and
- Lessening the supported entities financial burden on the government.

In our industry, we face the challenges of improving fairgrounds, expanding educational programs, and securing funding for a facility's maintenance and future without using tax funding. Consequently, finding dollars to accomplish these goals is tough. Is a foundation the answer? In 2004, the North Idaho Fair & Rodeo Fairboard secured four initial volunteers to start a foundation. Initially the foundation board created a mission statement, established by-laws, and obtained a 501(c)(3) status from the IRS. Unfortunately, once the foundation was in place, the money did not

start rolling in.

So the question arises: "We have a foundation, now what?" A huge benefit of being a member of the IAFE is the opportunity to network with other fairs and learn about existing foundations within our industry. I visited with Marla Calico, IAFE director of grants and special education. She is requesting data from members that would allow the IAFE to create a directory of fair foundations. This directory will open up opportunities to network and share information. At this time, Marla has 35 affirmative responses for either

an active foundation or one in the formation process.

This is exciting news as more fairs look to establishing foundations. It is valuable to have contacts from within our industry with whom we can share successful tips and stories, as well as pitfalls. If your fair has a foundation, please make sure that it is on the IAFE's list of fair foundations.

One listed foundation is the Siskiyou Golden Fair, Yreka, Calif., managed by Rebecca Desmond. She shared that their foundation came alive when three 4-H moms decided



that they did not want to give up their fair involvement. Desmond suggested that they establish a foundation, which they did in 2005. Today, it consists of a 12-member board. For Siskiyou, the group's fundraising goals have not been hit, but instead The Friends of the Fair have been instrumental in securing volunteers, grants, and creating positive awareness for the fair in their community.

Historically, non-profits are not a new concept in the fair industry, but it seems that schools, churches, libraries, and hospitals have been more aggressive in the foundation arena. I visited with Jim Faucher, Faucher Fundraising Consultants, who had been instrumental in establishing the hospital foundation in our area and is now a consultant for many other local foundations. It is my hope to secure additional knowledge about foundations that will help our own non-profit get off the ground.

It is important to note that foundations are not a panacea; they will not immediately solve a fair's financial woes. But they can be instrumental in helping a fair board better establish its goals, as any foundation board will need desirable, measurable goals before they can approach the community with a need or message. Foundations can also serve as another support group for the fair, as more people with a passion for the establishment are sharing the fair board's mission and gaining credibility within the community.

Long and short-term financial gains are a key reason for establishing a foundation. Many fairgrounds like ours are run by government entities, which do not provide a vehicle for receiving donations. A fair foundation provides an opportunity for individuals to support the fair financially.

Jim also shared his insight into the donation world and highlighted the fact that 1% of the \$306 billion given to foundations in 2007 came from corporations, 12.6% from foundations, and 86.4% from individuals. It seems that people like to give to people. On the receiving end, it is interesting to note that religion was at the top of the list, education second, and Arts, Culture & Humanities, the category that encompasses fairs, was sixth on the list. Yet that figure was still a staggering \$13.67 billion. How do we get a piece of that?

The challenges faced by a non-profit are similar to any business and include developing a mission statement, developing obtainable goals, securing finances, a workable structure, maintaining a positive public perception and having the community's trust. Communication between the fair board and the foundation

board is also a challenge, yet it is key to the success of the endeavor. Essentially, the two boards need to be aligned and working towards the same end.

Developing a foundation board should be done carefully. There are several reasons for establishing the foundation, one being to raise funds for a specific cause. If that is the priority of the foundation board, Jim states that it is imperative that the members are also willing to give not only time and talent to the non-profit, but money as well. Look at the successful foundations in your area and the list of members. Typically they will include members of your community who are known for their philanthropic efforts. It is imperative that a foundation board include those who are willing to give financially.

A successful board will realize that their responsibilities also include the development of the mission and purpose and making sure that they are monitoring and strengthening existing programs and services and ensuring adequate financial resources are available to meet operational needs. Building a sustainable board structure requires that the by-laws provide for structured turn-over, as well as a policy for addressing conflicts of interest.

The board must have members that have passion for the mission, believe in the goals they are setting, and have a great deal of enthusiasm. In addition, some boards will determine that a hired executive director is important for the future of the organization. If so, the board will be responsible for filling that position, as well as monitoring and evaluating the director's performance.

As I looked at successful foundations in our area, a common denominator evolved, which was the hiring of an executive director. The executive director partners with the board and becomes instrumental in guiding and accomplishing goals set by the foundation board. Numerous qualities for a great director surfaced, including being motivated, organized, a self-starter, a people person, good communicator, leader, and manager. However, the number one quality is passion for the mission.

Over the year, numerous events occur in our community for a cause and many are orchestrated by foundations. I learned that the return on investment for events is an important consideration. Essentially, there are three types of fundraising, which include special events, annual giving campaigns, and major gifts and capital campaigns. According to the

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health-care advisory board, special events provide \$2.90 for every \$1 spent. Annual giving campaigns provide \$4.40 for every \$1 and major gifts/capital campaigns provide \$8.10 for every \$1. Needless to say, many successful foundations in the healthcare industry concentrate on the major campaigns for raising dollars. Special events are still necessary, but more for providing goodwill and awareness of the cause in the community rather than being considered a major fundraiser.

Today, I am excited to say that the North Idaho Fair & Rodeo Foundation has an 11-member board, led by a chair who has passion for our five-day fair who wants to see the fairgrounds improve our services to the community year round. They and the fair board are working together, and have hired an executive director who will assist the foundation board, guiding it and helping to raise awareness and dollars within our community.

I missed the call from Marla when she was asking who had foundations, but I will make sure that she is aware of ours. I hope that other fairs will contact her as well. As I see it, there are many fairs that might benefit from the creation of a foundation and, if we can network and learn from each other, it makes the IAFE an even more powerful network. ♦



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