



## Donor Match Campaigns Guidelines and Best Practices

### Donor Matching Campaigns:

Matching gift campaigns are a popular fundraising strategy used by charities to incentivize public donations with donations offered by one or more “match donors.”

### Types of Campaigns

The basis of a matching gift campaign is that a “match donor” offers to donate in connection with donations made by the public. There are three basic types of matching gift campaigns.

- 1. Matching Gift.** The traditional matching gift campaign is where a “match donor” pledges to match public donations, dollar for dollar, often up to a specified donation cap and/or for a specified time period. With this type of campaign, the amount of the pledge that must be paid by the “match donor” is contingent upon the total donations received from the public in response to the campaign.
- 2. Challenge Grant.** A challenge “match donor” grant is one that is paid only if and when a charity raises a specified total dollar amount of funds, or receives funds from a specified number of individual donors. With this type of campaign, the fulfillment of the pledge by the “match donor” is contingent upon hitting the target donation goals from the public – this structure is not a dollar-for-dollar match, but all-or-nothing.
- 3. Fixed Lead Contribution.** A fixed lead contribution is one where a contribution that has already been made by a “match donor” is promoted with the goal of encouraging others to join in giving towards a larger specified financial goal. This type of campaign is often used to fund a capital campaign (e.g., the construction/ expansion of a building), or to build or significantly grow an endowment. The fulfillment of the lead contribution is not contingent upon public donations.

### Key Legal Considerations

The following are key legal issues to consider when conducting matching gift campaigns.

Communicate clearly about the way in which the matching gift campaign works. All material information about how the campaign works must be clearly and conspicuously disclosed in solicitations seeking matching donations. All materials terms regarding the requirements that must

be met to trigger a donation match should be clear to prospective donors at the point of solicitation. Consider the following analogous guidance from the NY Attorney General's office on placement of materials terms for cause marketing campaigns: "*Consumers should be able to easily understand before purchasing a product or using a service how doing so will benefit a charity. . . . [The] key details should be displayed together in a clear and prominent format and size, and in close proximity to, the text used in marketing the promotion.*" Below are a few questions that will help you consider what are the material terms that should be disclosed as part of your matching gift campaign solicitations:

a. Is the donation from the "match donor" a pledge that is contingent upon receiving donations from the public, or has the donation already been received?

b. Is there a match donation cap (i.e., a maximum amount that the "match donor") will donate?

i. Recommendations provided by the NY Attorney General's office in connection with cause marketing advertisements may provide useful guidance in how to structure matching donation campaigns to provide transparency to donors: "If there is a donation cap, "do not saturate the market with products; limit the number of units distributed to a quantity that is reasonably expected to produce the maximum donation."

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The information provided above does not constitute legal advice and is not intended to substitute for legal counsel.