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FEATURED TOPICAL

## Checkout charity big money maker for nonprofits

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### BOYS & GIRLS CLUBS OF DANE COUNTY

The walls and service counter at the PDQ store on McKee Road near Verona Road were covered in pledge fliers in summer 2015, signed by customers who pledged at least \$1 dollar to benefit the Boys & Girls Clubs of Dane County.

If you're planning to rent a movie at Family Video in Madison, Middleton or Sun Prairie this week, you'll need to decide more than whether it'll be "Fences" or "The Easter Bunny Adventure." You'll likely also be asked if you want to round up your purchase to help fight lymphoma.

Through Sunday, Illinois-based Highland Ventures, parent company of Family Video, will be running its annual "Round It Up for Lymphoma" campaign.

Patrons will be asked to voluntarily round up their purchase to the nearest whole dollar amount, with proceeds benefiting the Lymphoma Research Foundation and the Lymphoma Biobank at the University of Chicago Medicine.

While a few cents here and there may not sound like much, multiply that by hundreds or even thousands of small contributions and the result can be staggering.

"It's amazing the power that comes from a united front," said Keith Hoogland, president of Highland Ventures, which has 785 locations, including 62 stores in Wisconsin. Since 2012, the company's round it up campaigns have raised nearly \$6 million. Last year's campaign raised \$1.1 million, with \$93,000 coming from Wisconsin.

Point-of-purchase fundraising, also known as cause marketing, has been around for years but its impact was first examined in 2013 by the Cause Marketing Forum. The forum reviewed 78 large fundraising programs in 2012 that raised more than a combined \$389 million. In 2014, the group found 77 major campaigns had generated \$390 million.

The largest point-of-purchase fundraiser in 2014 was online auction house giant eBay, which raised \$62.2 million by allowing sellers to contribute a portion of their sales to charity and inviting buyers to make donations year-round.

Michael Johnson, CEO of Boys & Girls Clubs of Dane County, was introduced to point-of-purchase fundraising in 2008 when he was earning his credentials to become a certified fundraising executive at the University of Indiana.

“These kinds of campaigns give local nonprofits the opportunity to raise money in a different light and also it shows to a business’ customers that these corporations are socially conscious,” Johnson said.

Johnson has worked with businesses around Dane County, including Oscar Mayer. A campaign with Oscar Mayer’s Lunchables, now in its second year of a four-year agreement, will generate \$1 million over the life of the deal for Boys & Girls Clubs of America, with some of those dollars coming to the Dane County organization.

For the past five years, Middleton-based PDQ convenience stores has partnered with Johnson’s organization typically during its Bike for Boys & Girls Club event, which this year is July 16. PDQ staff asks customers who come into the stores if they’d be interested in pledging \$1 to benefit the Boys & Girls Clubs. Donors then sign a small, decorative flyer, which is displayed inside the store.

The pledges collected on behalf of Boys & Girls Clubs of Dane County by PDQ last year raised about \$20,000 over five weeks, Johnson said. Cause marketing fundraising represents about \$100,000 of the revenues that support Boys & Girls Clubs of Dane County’s annual \$4.5 million budget.

“The amount doesn’t seem like much, but when I look at it we have more than 100 tutors that we pay to support kids in the classroom,” Johnson said. “Those cause marketing funds help us pay for those tutors.”

## Patrons happy

### to help out

When you’re asking customers for a few cents, most are glad to help, said Eric Erwin of Lake Mills. He owns three Firehouse Subs restaurants, including one at 1403 Emil St. in Madison and oversees all franchisees and company expansion in Wisconsin.

“Over 90 percent of our customers do voluntarily offer to round up their bills,” Erwin said. Jacksonville, Florida-based Firehouse Subs, which presently has 1,054 locations in 44 states, including Puerto Rico, Canada and Mexico, opened its first Wisconsin location in 2013.

There are now 12 Firehouse Subs locations in Wisconsin with five more opening this year.

Firehouse Subs was among hundreds of businesses that aided in relief efforts in New Orleans following Hurricane Katrina in August 2005.

Erwin said the company initially went to New Orleans to provide food to first responders and other relief workers. But when they arrived and saw the devastation, they offered food to anyone who asked.

That led the company to launch the Firehouse Subs Public Safety Foundation, Erwin said. The foundation receives funding from donations collected at Firehouse Subs restaurants from patrons who round up their purchases. The foundation awards grants to public safety agencies and first responders who apply.

The foundation works to ensure local dollars collected benefit organizations in the immediate community, Erwin said. The Wisconsin Firehouse Sub locations have collected \$207,000 through point-of-purchase donations since 2013.

Erwin said the Firehouse Subs foundation helped the Sauk City Fire Department acquire an inflatable search-and-rescue boat and trailer, valued at \$13,500. The boat will be used by the fire department to conduct rescue missions on local lakes and rivers where traditional boats can't go.

When the community sees a direct impact from donations, it often leads to more giving, Erwin said.

"It's very rare that someone won't want to round up their bill when asked," he said. "We always make sure to thank them when they do."

## Self policing

According to the Wisconsin Department of Revenue, if a business and a charity have an agreement for the business to collect donations on the charity's behalf, the business isn't required to identify the amount collected through these arrangements on their annual income taxes.

Businesses can claim charitable contributions on their taxes but there are many stipulations, and rules vary for corporations and companies with one owner.

When point-of-purchase donations are made at Firehouse Subs, its registers are equipped to separate the donation from the rest of the transaction and those funds go directly to the Firehouse Subs foundation.

Highland Ventures has a similar process and procedure. It also documents the collections and ensures all donations go its targeted charity.

Johnson said the rules to establish a fundraising partnership with a business are complex, but once the paperwork is done the rest is easy.

"It really is just another avenue for nonprofits to raise money," he said. "It has been effective for us, and I hope it continues to grow."

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Larry Avila | Wisconsin State Journal

Larry Avila is a business reporter and editor for the Wisconsin State Journal.

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