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Matching Gifts and Your Program

What are matching gifts?

Matching gifts are a vitally important, yet often forgotten source of funds for *your* program. They are an increasingly important way for companies to allow their employees to direct a portion of the monies earmarked for charitable contribution. The original idea was the brainchild of Philip Reed, chair of the General Electric Board of Directors, who wanted to encourage GE employees to contribute to their alma maters. Reed believed the incentive to contribute was greater if GE matched the employee's gift. The GE matching gift program was launched in 1954 and other companies followed suit. Since 1954, companies and their employees have given more than \$2 billion to educational institutions thanks to corporate matching gift programs. Over the years, companies extended their matching gift programs to include other charitable organizations, such as hospitals, museums, public television networks...and *volunteer caregiving* programs!

Why do companies establish matching gift programs?

There are many reasons why companies establish matching gift programs. Companies may want to support nonprofit organizations where their offices and plants are located. A matching gift program is good for employee relations, as the company demonstrates respect for the preferences of its employees. Matching gift programs allow companies to be very broad in the scope of their philanthropy, contributing monies to such varied groups as zoos, hospitals, environmental organizations, libraries, botanical gardens, schools and social service organizations. Lastly, a matching gift program is good public relations for a company, enabling the company to promote its corporate image at a low cost and complement other support programs without conflict.

How does the matching gift process work?

Procedures can vary from company to company, but the following example is typical:

- An employee obtains a matching gift form from the employer, usually from the human resources department.
- After completing the form, the employee sends it along with the donation to your program.
- Your program certifies on the form that it has received the gift and meets the company's guidelines for receiving a matching gift (e.g., nonprofit status, etc.)
- Your program returns the form to the company.
- The company verifies eligibility of the employee and your program and sends you the check for matching funds.

How can your program use matching gifts to increase the value of contributions?

Mention matching gifts in at least one direct mail piece to your volunteers, donors and friends each year. Enclose a leaflet with all of your acknowledgment cards or letters, noting the possibility of a match. Include information about matching gifts in your monthly newsletter and/or spotlight a matching gift to your program. Show your board or advisory committee members the attached list of matching gift companies and ask them if they know of other businesses not on the list.