

## 4 Fund raising

### 4.1 Seeding finance

As the organising committee investigates venues and services they will find securing reservations requires deposits at a time when little money has been received. The cash flow projections developed as part of the financial planning will identify the amounts required.

The NZ National Philatelic Trust is well-aware of this issue and will generally provide a loan for this purpose [see <https://nzpf.org.nz/about-us/trusts-involving-nzpf/nz-national-philatelic-trust/>]. A range of other philatelic trusts may also provide support generally depending on their location relative to the region where the show is to be held. These include:

- Zeapex Trust <https://nzpf.org.nz/societies-clubs/zeapex-philatelic-trust/>
- Central Districts Philatelic Trust <https://nzpf.org.nz/societies-clubs/central-districts-philatelic-trust/>
- Timpex Trust (Timaru Philatelic Society) <https://nzpf.org.nz/societies-clubs/timaru-philatelic-society/>

No organising committee can really succeed without the support of other local stamp clubs and societies. They often provide critical manpower but may also be willing and able to provide financial support in the way of loans for seeding finance. [See also 4.5 Members' Club.]

### 4.2 Funding agencies

There is a wide range of funding agencies which provide grants for 'worthy causes'. The local city or district council is one logical option particularly if the venue is managed by the council. The organising committee will probably also be seeking other kinds of support from that source (e.g. local community advertising opportunities).

A search on the web will find many possibilities. Good starting points are:

<http://www.mch.govt.nz/funding-nz-culture/search-funding>

<http://www.communitymatters.govt.nz/funding-and-grants>

The organising committee could contact previous exhibition organising committees to source possible funding bodies and approaches taken. However, it is important to recognise funding agencies may have regional variations. Thus, what has been successful in one area may prove unsuccessful in another and, of course, vice versa.

Most funding agencies have clear criteria to be met for a funding application. These are often open to interpretation and with careful selection of information an application may be successful. However, funding agencies have more applications for funding than they could possibly meet.

Most funders will require the organising committee to address a specific activity for any grant provided (e.g. venue hire, transport of frames, publicity [banners, posters, etc.], printing, medals) and will expect a show budget and recent quotes (from two or three suppliers under their letterhead – i.e. an email message without letterhead may not suffice) for the activity proposed. This often means the committee will have to return to a potential supplier several times if one approach for a grant has been declined and another funding body is to be approached. When seeking quotes, it is important the potential supplier is aware an approach is being made to a funding body and understands why additional, updated quotes are being requested.

There can be a wide range of documentation required for applications. In most cases this information should be easily obtained, for example a record from the minutes of the incorporated society that approval is given to make the submission; the most recent financial statement with a current certificate of incorporation of the society; and, a copy of the exhibition budget. However, some information may take time to acquire if not already held, for example an Income Tax Exemption form from IRD.

Sources of grants generally have specific timelines for applications, their consideration of these and notification. These may be based on the financial year of the funding agency, limited to activities occurring only within a set time of funding (this can be as little as three months), etc. Unfortunately, these often result in the organising committee not being sure of the success of their application until late and sometimes only a few weeks before (and on occasions after) the funding is required.

Where a successful application is made it is important the grant be recognised (at least an acknowledgement in the show catalogue) or the grant may have conditions detailing the manner of recognition expected. In all cases the agency will require a formal report within some time limit after the show confirming the use of their grant for the purpose requested and an expectation any unexpended money provided in the grant for a specific activity is refunded.

### 4.3 Local businesses

Applications to local businesses for financial support are typically less formal than those to funding agencies. However, they may receive many applications from local activities and could have established priorities or processes for deciding which applications will be approved.

Local businesses may prefer to offer vouchers or discounts on product.

### 4.4 Donations

Many exhibitors offer a donation to further support the show. The entry form can helpfully suggest this with a space to indicate a donation. The other most common source of donations comes from members of the society or of those nearby.

However, there may well be prominent local citizens or philanthropists who could be approached. More success is probable if any letter seeking a donation is clearly unique to the person rather than merely a standard request made of many.

Donors should be asked how they would like their donation to be recognised – remembering some may prefer to remain anonymous. Normally this will appear as an acknowledgement in the catalogue. However, an additional option used at the Capital Stamp Show 2015 was to prepare a small notice which could be duplicated based on the amount received and placed on exhibition frames (see 4.7 Frame sponsorship).

### 4.5 Members' Club

Members' Clubs have been used in previous exhibitions. These are set up early in the planning as incentives to belong often include products unique to the members, special advance notice of items, and preferential bookings to activities, etc. In many overseas exhibitions the members club often has an exclusive space at the exhibition venue where services, such as refreshments may be provided although it is unlikely a New Zealand exhibition could justify this.

A major benefit of a members' club is the potential income arriving during the setting up phase when little other income can be expected – effectively seeding finance. A donor may be more willing to provide funds if the request includes the offer of membership in the club.

A downside could be the resources needed to administer the club including development and provision of any special product. At times, this resource may be needed for other critical activities.

### 4.6 Advertising revenue

There are a wide range of opportunities for raising funds from advertising.

While NZ Post and the dealers involved in the show will often provide some degree of support with advertisements in show publications such as the catalogue and awards list, they will also be concerned about the level of financial input they might already be making.

The organising committee needs to be conscious of opportunities for 'in kind' payment from such sources. For example, a dealer might be willing to print the awards list cover at no charge providing he is permitted to have a page of advertising in the document.

In addition to the catalogue and awards list other opportunities include any Bulletins produced, the exhibition envelopes (a good option for 'in-kind' payment) and, an option used for the Capital Stamp Show 2015, frame sponsorship [see 4.7].

It is useful for the organising committee to determine advertising schedules at an early stage. This enables them, for example, to structure the advertising schedule to allow for discounts for multiple advertising spots (e.g. a rate for one, two or however many bulletins the advertisement could appear in). Many businesses need to control the levels of advertising they do, and early advice allows them to consider and budget for their contributions to the show.

Consideration needs also be given to the media used. People retain bulletins and other publications long after the show and this provides longevity for the advertisements. Including the advertisement on the exhibition website may provide a wider potential audience for the advertiser.

An important aspect for any advertising is the contribution should be suitably acknowledged.

#### 4.7 Frame sponsorship

At the Capital Stamp Show frame sponsorship was introduced. For the first time in New Zealand, advertisers and individuals were able to sponsor exhibit frames. Frame sponsorship comprised of a label attached to the top of the sponsored frames. Frame sponsors were able to request sponsorship of specific exhibits, frames within a specific class or other specified category based on a first come, first-served basis. The labels were comprised of laminated rectangles 120mm wide x 40mm high and a cost of \$10 per label was established.

While this was initially set-up to allow dealers to advertise it became a useful way to acknowledge donations (if the donor wished to do this) and several philatelic societies took advantage of the option to donate some money to the exhibition and have the label recognise members who had recently passed away. The format of typical labels is shown below.



#### 4.8 Products

Care is needed to ensure there are realistic expectations of income from product. It is important to recognise a considerable amount of effort can be required to develop and support product sales. This arises from:

- Design - to ensure the product matches the theme of the show.
- Deciding on price.
- Advertising effort.
- Sales management (i.e. keeping track of sales, distribution, etc.).

However, the products and efforts to sell them will publicise the show and the income normally exceeds the actual cost of production and distribution.

The range of product is clearly something for each organising committee to determine but the most common types include, but are not limited to:

- Customised advertising labels (Personalised labels) and associated material including first day covers and maximum cards.
- Special commemorative covers – these are related to the theme of the show although the problem of obtaining a good clear postmark with the appropriate date will require the organising committee to build a relationship with a local post shop.
- Cinderellas - again preferably linked to the theme of the show.
- Privately overprinted miniature sheets but this should not involve overprinting of the stamps.
- Envelopes designed to be used with product attached and franked with the postmark of the day during the show.

## 4.9 Auction and sale of donated material

Society members may find it easier to donate material than cash. If the society runs regular auctions this donated material could be included as a special category to encourage more liberal bidding or, if sufficient material is provided or the society does not normally hold auctions, a special auction might be held. Distribution of the auction listings could be considerably wider than normal and include other societies in New Zealand.

The organising committee may be able to take part in stamp fairs held in the area and sell donated material.

These activities do, of course, require additional manpower and effort and this should be balanced against the other demands placed on individuals who might be involved. However, both auctions and fairs do provide further opportunities to advertise the upcoming exhibition.

## 4.10 Door charge

Traditionally New Zealand exhibitions have maintained a policy of no door charge for entry to the exhibition. This has been driven partially by the desire of the dealers who do not wish to have an impediment for people who have no interest in the exhibition but wish to sell collections or have them valued.

In some cases, the terms of the contract with the venue might suggest that if a door charge is made a certain proportion of any receipts must be paid to, or the actual management of the door charge must be carried out with some commission fee, their preferred booking agent.

Applications to funding agencies may be impacted by the fact an door charge is made. The assumption has been made some agencies would look more favourably at activities with no charge.

A door charge requires totally different entry control and manning requirements. Many visitors wish to come and go at will and a process for allowing re-entry on the day should be developed. Many people attend more than one day, and some rebate would generally be expected (e.g. 'season pass' for entry any day).

To overcome this dilemma, exhibition organisations have often created a 'de facto' door charge by charging for the catalogue [see 8.3(b)].

The NZPF regulations are silent on door charges and the decision whether to have a charge or not rests with the organising committee.

## 4.11 Palmarès Auction

A regular feature of New Zealand exhibitions is the Palmarès Auction. This is usually the last activity of the evening and can provide a boost to funding. The following are critical success factors:

- Use an experienced stamp auctioneer - their knowledge of the market and the 'customers' at the venue plus their ability to maintain the momentum of the auction makes their complementary ticket to the event well worth it.
- Do not have too many lots - a range of 10-15 is the maximum.
- The lots should be of 'good' value with the expectations (e.g. starting prices and bid obtained) of both the organising committee and auctioneer agreed beforehand – both may very well be surprised at what is achieved.
- The lots should be clearly described (often on the reverse of the menu for the Palmarès or as a separate sheet) and, apart from the NZ Post uncut sheet, (see below) be available to view at the event.

The lots have typically included:

- A souvenir cover, postmarked with an NZ Post show cancel, signed by all the jury.
- A souvenir cover (preferably different from the above), postmarked with an NZ Post show cancel, and signed by all the organising committee including NZ Post, NZSDA and NZPF representatives.
- One or two special products related to the show that are unique or limited in number.

- The NZ Post uncut sheet of the exhibition miniature sheet.

The NZ Post sheet is usually the last item in the auction and generally receives the highest bids. Concerns in the past about having the sheet buckled if viewed at the venue have led to recent exhibitions retaining the sheet in its cardboard roll (as supplied by NZ Post) and NZ Post providing an image that can be reproduced in colour (preferably A3) for viewing.