

So funding is tight?



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A strategy for diversifying public library income

Maybe you are anticipating budget cuts. Maybe your library is administered by a poor council, your state government's revenue is affected by the global financial crisis, or maybe your conventional funding sources are just never going to provide the wherewithal for a 21st century service. An antidote to the worry about a contraction of the bottom line is to broaden your income base. Alice Springs Public Library (ASPL) is putting this strategy into action.

Last year Alice Springs Town Council (ASTC) obtained Deductible Gift Recipient (DGR) status for ASPL from the Australian Tax Office. A DGR can receive gifts or donations for which the donor can claim a tax benefit. A donor can be an individual or an organisation – any 'body' required to pay tax. It makes possible two potential income sources: private support and some philanthropic trusts. (Not all trusts grant to organisations which are DGRs; some also require that the grant recipient be an Income Tax Exempt Charity. As most public libraries are operated by corporations, they are ineligible for this status and therefore for funding from this source.)

ASTC was motivated partly by a concern to limit rates rises. It was also a gesture of support because even though library expenditure is only a very small part of Council's budget, the allocation isn't likely to increase significantly.

Utilising our DGR status has involved development of a strategy for broadening our income base incorporating new funding sources and retaining conventional ones. There are a few reasons for writing a strategy:

- public libraries are such excellent organisations that everyone can come up with good ideas for raising money; a strategy helps focus activity
- pursuing diversified income sources might be an unfamiliar activity; a strategy guides its introduction and helps people adjust to the concept
- this activity may have to be incorporated into existing staff capacity; a strategy enables that to happen effectively, avoiding a burden on staff already fully occupied or a diminution in the organisation's core functioning
- building a new activity on existing strengths or fundamental principles increases the likelihood of success; a strategy makes clear how they and the new activity fit

Our strategy is built on these principles: ASPL's mission, consistently good customer service, best possible collection management and programs, consistent allocation of benefit across all library activities, and communication with the Library's community, in this instance about fundraising activities and expenditure.

There are five elements to the strategy: government funding, from all levels, corporate sponsorship, grants from government, corporations and philanthropic trusts, private support, and enterprise. The first element – government funding – will remain the most important source of ASPL income. The remainder are new activities, or existing activities that will be pursued more actively. The balance between sources will change, risk will be spread and viability enhanced.

Staff have already pursued some of these opportunities, particularly corporate sponsorship. Doing this before the strategy is completed may seem to counter the first reason for developing it – efficiency – but people's enthusiasm is not to be quashed; and in the real world it is rare to complete a plan before some implementation has begun. Indeed, implementation often serves to refine the strategy. The Library Manager has kept an overview of the strategy's development and staff participation.

The enthusiasm of some notwithstanding, implementation has required cultural change, affecting internal and external stakeholders. Working with internal stakeholders such as staff has involved:

- achieving management support
- talking through the concept and activities thoroughly, acknowledging the shift
- incorporating people's ideas
- expecting people to accept the culture shift and allowing them to participate as they choose
- training for those who are interested
- making use of opportunities that don't require buy-in, e.g. through modifying position descriptions where appropriate as vacancies occur
- incorporating the new activity in all planning as a matter of course, e.g. making it part of the status quo

External stakeholders include individuals and potential funding organisations. Both groups will require encouragement and education to consider supporting a library. We will:

- describe what their money will be spent on
- demonstrate the value to the community of a viable library
- emphasise to individuals the tax benefit of their support and its contribution to their community
- explain to enterprises the return to their business
- meet granting bodies' selection criteria and acquittal requirements

Are you interested in trying this? This information will help: The Australian Taxation Office website (www.ato.gov.au) provides comprehensive information about DGR and how to apply for endorsement.

The Australian Business Arts Foundation (www.abaf.org.au) provides support for cultural organisations through training, advice and feedback about strategies like ASPL's, and advice about individual fundraising activities.

Similarly, Our Community (www.ourcommunity.com.au) is a social enterprise organisation that provides advice and training for community groups and not-for-profits, including in the area of fundraising.

The Fundraising Institute of Australia (www.fia.org.au) is a peak body for people and organisations involved in fundraising. The FIA provides training, professional development and networking opportunities for members.

ALIA has a sponsorship guide for ALIA groups; it can apply to any sponsorship opportunity.

If you don't ask for money you won't get it; if you do, you might. Be prepared:

- ask for money
- describe what it will be spent on
- explain the benefits
- explain why you're asking them and not someone else

Good luck.

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This article draws on Fiona's ALIA Access 2010 paper – The Experienced Older Worker: Using Established Skills in a New Industry http://conferences.alia.org.au/access2010/pdf/Paper_Thu_1550_Fiona_Blackburn.pdf