



# **Matching Gifts: The Definitive Guide for Employers**

**Everything You Need to Know  
to Match Employee Donations**



American workers want their paychecks to serve a greater purpose, beyond simply supporting their families.

They want to support their wider communities — at weekend walk-a-thons, at their places of worship, and at local and national nonprofits.

One of the most cost-effective ways to support charities and communities is through employee giving programs, in which employees use a portion of their income to help others.

Increasingly, employees choose where to work based on whether their employers share their charitable values. [71% of employees](#) say it is important to work where the culture is supportive of giving and volunteering.

And [nearly 3 in 5 employee donors](#) say it is imperative or very important that the company they work for match personal donations with corporate funds.

It's no surprise, then, that many companies have created matching gift programs to help attract and retain employees.

In addition to helping keep talent, these programs also help companies burnish their charitable reputations. What's more, they help inspire their employees to be more charitable. [84% of donors](#) say they're more likely to donate if a match is offered and [1 in 3 say](#) they would give a larger gift if matching is applied to their donation.

But while workers clearly value matching gift programs, a surprising number of companies have yet to join the party. [Research by America's Charities](#) shows that fewer than 3 in 10 small and mid-sized companies match — and more than 1 in 3 large firms are not yet offering these programs.

Thankfully, it's not too late — nor is it too difficult — to add a matching program to your company's workplace giving menu.

This guide will show you how.

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- Double the Donation



## Matching Gifts, Defined

Matching gift programs are set up by companies that want to promote social good and encourage their employees to give. For every dollar an employee gives to charity, the company agrees to give a corresponding donation to that same charity.

In some cases, the company offers a dollar-for-dollar match, meaning that the employee is essentially able to double the value of her donation.

In others, the company gives a percentage — say 50% — of the value of the gift.

Companies can choose to set up matching gift programs in a number of ways based on their culture and capacity.

But, at their core, matching gift programs are structured around the idea that, together, companies and their employees can have a greater impact if they leverage their resources together.

## Why Offer Matching Gifts?

Matching gift programs offer a rare triple bottom-line benefit. When executed well, they not only benefit companies and their employees — they also help nonprofits improve the lives of the people they serve.

### Here's who benefits and why:



#### Companies:

Businesses could just as easily write one big check to support a nonprofit each year. But by creating a matching gift program, they are able to amplify their charitable support— and can multiply the value of their employees' philanthropy. They also help improve their corporate culture, generate brand equity with the nonprofits they support— and as noted above, they are useful in helping to attract and retain the best and brightest candidates.



#### Employees:

Who doesn't love free money? Matching gift programs help employees give more money to causes with which they have a deep, personal connection. It also helps them build stronger bonds with their employer.



#### Nonprofits:

Charities benefit greatly from these programs. Not only do they receive larger gifts as a result of the match, some nonprofits are able to build lasting relationships with companies who otherwise might not have known about their work. In some cases, matching gift arrangements end up leading to larger partnerships, including cause marketing and employee-volunteering efforts.

In other words, matching gift programs are more than just a win-win. **They're a win-win-win.** Companies win. Employees win. And nonprofits win.



## Setting Up Your Program: Matching Gift Budget, Ratios, Timing, and Eligibility

Every company is different.

So, too, is every matching gift program.

Each program has its own goals, financial model, and calendar.

That's why it's important to set up a program that aligns with what your company wants to accomplish.

How you choose to manage your program will depend on how you answer the following key questions, which we've outlined in this guide:

1. What's Your Limit?
2. What's Your Match?
3. What's Your Window?
4. Which Nonprofits are Eligible?
5. What's Your Back-up Plan?



# 58%

**of employee donors say it is imperative or very important that their company match their personal donations with corporate funds. In fact, matching gifts are one of the top 5 motivations for workplace donors.**

- America's Charities Snapshot  
Employee Research



## Question 1: What's Your Limit?

The first, and perhaps most important, question centers on your budget and staff resources.

How much is your company able and willing to spend on its matching gift program? And how much time can your team dedicate to supporting the program? Some companies set a hard cap on their program. Your company, for instance, might decide that it will give up to a certain figure, say \$100,000 a year, in matching funds to charity. Others choose to put a cap on each employee's donation. Under this approach, you might decide that you'll give up to \$250 per employee. While employees can give more, their employer makes it clear that there is a maximum match.

However, under this structure, it is also possible that not every employee will give the full \$250, so you'll need to estimate how much money each employee is likely to give.



*"When determining your budget and setting limits, look to data from past campaigns for guidance. If you've held a donation campaign before (with or without matching gifts), the results from that campaign can be used to guide your expectations and help you approximate realistic performance for your matching gift campaign. If this is your company's first ever donation campaign, keep it simple. Rather than focusing on employee donation limits, keep your overall budget in mind to set an overall match cap and then use your campaign's results to drive future campaign decisions. You'll also want to keep in mind your employee giving platform's specifications, such as whether your software requires inputs like donation minimums and maximums," says Roseanne Wark, America's Charities Client Engagement Director.*



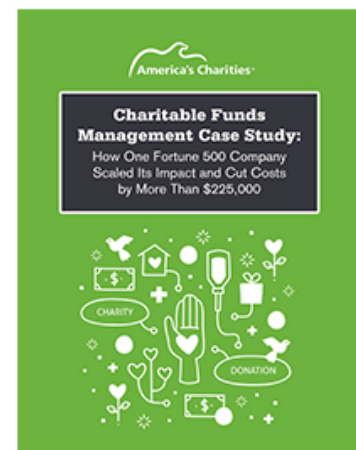
As you set your budget, keep in mind that the money you donate is only part of the equation.

While matching gift technology can be programmed to automate many of the necessary functions, people are critical to your program's success. Delivering a high impact matching gift program requires high tech *and* high touch.

You'll need to figure out how much to invest in staff time, promoting the program, and tracking and processing donations.

Comparing these costs with your overall budget will help you determine your cap, as well as help you realize any possible program constraints ahead of time.

**[Click here to find out how one of our clients scaled its impact and cut costs by more than \\$225,000.](#)**



Download Case Study



## Question 2: What's Your Match?

Once you've determined your funding pool, it's important to figure out the criteria for matching your employees' donations.

Will you match dollar-for-dollar, up to a certain amount of money?

Will you match a percentage of an employee's contributions (for instance, 50% of his or her donation)?

Will you only match donations made via one-time payroll deduction versus other payment methods like credit card and check?

Will some employees (say those with certain job titles) be eligible for a greater match than others? Can all employees participate or is it limited to full-time employees only?

Often, your answers to these questions will be based on your overall match campaign cap and how much you expect your employees to contribute.

There's also another important question to consider: Do employees need to make a minimum gift to qualify for the match?

Some companies will match every donation — even as low as \$5. Others will set a minimum threshold, which helps set a bar for employees and ensures that you or your payment processor are not cutting scores of \$5 and \$10 checks to individual nonprofits.



*“When speaking with our clients about setting matching gift criteria, we advise them to keep their team's overall objective front and center. What do you hope to accomplish through your gift matching campaign? Is employee participation and engagement your primary goal, or is raising as much money as possible your focus? Your goal should drive your decisions about match limits and eligibility. The clients we work with typically set a minimum of \$5 to \$25 per employee, with some setting maximum limits as high as \$10,000. Others choose not to set a minimum or maximum limit at all and opt for a ‘first come first serve approach’ to matching donations,” states Sarah Ford, America's Charities Marketing Director.*



## Question 3: What's Your Window?

Many companies choose to manage their matching gifts over the course of a week, a month, or a specific season. Others run their programs year round.

Both approaches have their advantages.

Managing your program around a deadline helps inspire employees to act urgently — and helps you contain your effort and resources.

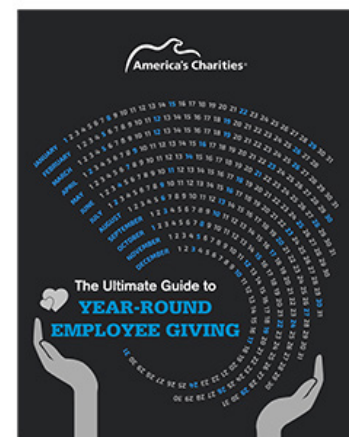
Operating your program throughout the year helps involve employees who might be more interested in giving around certain events more than others and ensures that you're building a year-round culture of giving.



*"Another thing you'll need to consider is your matching funds distribution timing and frequency," says Lavelle Donnelly, America's Charities Director, Charitable Funds Management Solutions. "If you want the money from your campaign to be distributed to nonprofits by a specific date, you'll need to time your campaign accordingly. Most employers want the company's match amount to be distributed at the same time as employee donations, so you'll need to build in time to process those donations once the campaign is over, along with time for your company to provide the match amount. If your program runs year round, you'll need to decide how often funds from your campaign will be distributed – monthly, quarterly, or annually. If you already have a distribution schedule set up for other giving campaigns, ideally you can align your matching gift campaign with the next scheduled distribution to cut costs and get the money to charities more efficiently. There are pros and cons to each frequency and timing, so you'll want to discuss that with your charitable funds manager and your internal team – typically someone from your HR/payroll department and procurement – to determine what is best for your company and its employees."*



**Ready to incorporate matching gifts into your year-round giving program?**  
**[Click here.](#)**



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## Question 4: Which Nonprofits Are Eligible?

Some companies allow their employees to give to any IRS-recognized public charity across all causes, while others limit the selection to a more specific list of vetted nonprofits.

Some others choose to match gifts to only those nonprofits that align with the company's philanthropic mission (e.g., those that support environmental conservation or education).

While most employers choose to limit eligibility to 501(c)(3) organizations only, there are IRS-recognized tax-exempt organizations outside the (c)(3) family. You will need to decide if you will make exceptions based on your employee culture and corporate policies. Discuss whether your company will match donations to groups such as:

- faith-based organizations, i.e., churches, synagogues, mosques, etc.
- political campaign funds, often 501(c)(4) organizations
- fraternities, many times 501(c)(10) entities
- sports teams, which tend to be 501(c)(6) organizations

Whichever charities you allow your employees to support – and your organization agrees to match – it's important to decide up front so you can communicate the process clearly to your employees. It's also critical to ensure your [employee giving technology](#) partner and [charitable funds manager](#) are in lockstep with your team when it comes to setting up your match campaign and verifying donations after the campaign ends.



*“Once again, your eligibility requirements should be driven by your overall campaign objective and company's culture,” adds Sarah. “Are you trying to raise money for a specific cause? Are you trying to engage employees and boost participation in your program? Don't be afraid to get creative. Matching gift programs don't have to take a cookie-cutter approach. For example, we have a client who genuinely cares about giving employees the opportunity to support nonprofits they care about; they also care about supporting nonprofits in the communities where their offices are located. Their Corporate Contributions Committee marries these objectives. Each fall, during their payroll deduction giving campaign, they offer employees charitable choice—meaning they can support whichever IRS-recognized nonprofits they want. The company then matches the total amount of money donated by employees, which in turn determines their Committee's annual budget. But rather than match donations to every charity supported through that campaign, employees have the option to submit requests throughout the year to the Committee for funds to be granted to a nonprofit that they have volunteered with or donated to, as long as it aligns with the company's key focus areas and supports the communities where they conduct business. This concept is a clever way of supporting employee choice while also aligning with the company's core causes and encouraging employee participation.”*



Matching gifts to any legitimate charity gives your employees the freedom to give where they'd like — and it's likely that they'll give more money as a result. Our research found that when charitable choice is given, employee participation increases. In fact, [30% of employee donors](#) we surveyed chose not to give through the workplace because the causes they care about are not available as choices in their employer's giving program.





## Question 5: What's Your Back-Up Plan?

Let's say you've chosen a \$100,000 cap and that you've decided to run your giving campaign for the month of November.

What happens if your employees reach the cap on November 15? Do you close the campaign or tap into a backup fund to make up the difference?

Similarly, what happens if you reach the end of the month and your employees have only contributed \$75,000? Do you extend the campaign, roll the money into the following year, or give the balance to a favorite charity of the company's choosing?



*"It's important to work through these scenarios ahead of time," remarks Roseanne, "both to make sure you know what to do and to make sure you communicate your plans clearly to your employees. This very issue came into play earlier this year for one of our clients. They had just wrapped up a week-long match campaign for one of the company's core causes, and they were getting ready to launch another week-long match campaign to support a different corporate cause. Having just promoted a match campaign – even though it featured a different cause – our client was concerned about donor fatigue and possibly having to extend the length of their campaign. It turned out that just three days into their second match campaign, they had reached their cap. They had to make a quick decision on whether to end the campaign early – and how to communicate that to employees who thought they still had time to participate – or find additional funding to keep the match going for the remainder of the campaign. It was a great problem to have, but is a solid example of why planning for different scenarios ahead of time is so important."*



While an organization can choose a variety of paths for its match program, answering these five questions doesn't have to be overwhelming. There are [employee giving and match partners, like America's Charities](#), who can help you determine the best course for your business in a conversation or two.

**"America's Charities was such a great partner in making our matching gift program a success. I truly appreciated the team's dedication and the ability to lean on them for advice."**

**- America's Charities  
Fortune 500 client**



## Running Your Campaign

Once you've answered these key questions and determined the structure and rules for your campaign, the real work begins.

To run your program successfully, you'll need to create processes for tracking, managing, and processing donations; promoting the campaign to employees; and reporting your results to key stakeholders.

Here are some key things you need to consider as you get your program off the ground:



### Handling Donations

There's a very good chance your company isn't structured to manage charitable contributions. Appropriately, you've built much of your financial infrastructure around selling your goods or services, collecting revenue, and paying your suppliers and employees.

As a result, it's likely that you'll need to [work with an outside expert](#) to mitigate your risk and ensure success. What may seem complicated is in fact simple for an organization like America's Charities.

They already have the infrastructure, a proven system, and [multiple software options](#) to help you manage every step of the process — and experts to help you work through key questions such as how often you send payments to charities, how to communicate key information to those nonprofits, and how to track your program's progress from year to year.



### Promoting Your Matching

As is the case with any important initiative, a successful matching gift program requires a lot of communication.

You have to provide clear, consistent messaging to explain what it is, how it works, and what's in it for your key audiences.

And you have to reinforce those messages — acknowledging key milestones, highlighting best practices, and emphasizing important deadlines.

How you promote your program likely depends on how you already communicate with your employees and stakeholders.

Some companies create workplace giving websites. Others use e-mail marketing, staff meetings, and special events. Others use signage in elevators and in the break room.

Most use a number of different tactics.

And then there are your external audiences. In addition to making sure you communicate your program to employees, you'll likely also want to share the news with customers and shareholders in your CSR report or annual report, in a press release, through social media, and on your website.

Finally — and this is especially important — you'll want to be sure to thank your employees for their generosity. If possible, this message should show the results of their donation — and the overall impact of your employees' and your company's philanthropy.





## Measuring Your Matching

That last point — showing the impact of your employees' and your company's donations — is an important one. It's easy to get wrapped up in the mechanics of your program — and in making sure everything is working smoothly.

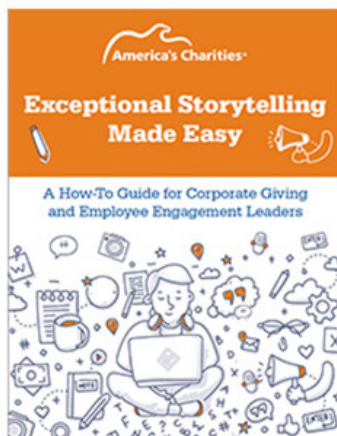
But it's important not to forget that there are real human beings who are directly affected by your largesse. Your matching gift program is touching lives, helping to feed the hungry, educating children, saving the environment, and healing the sick.

Don't forget that fact.

Being able to consistently track things like employee participation and how much money your employees are donating year over year is integral for your company to measure its progress over time.

If possible though, try to find ways to measure how that money is making a difference. It's through this kind of storytelling that you can transform transactional giving into a holistic and purposeful social good program, better engaging employees, building company culture, and changing the world.

**[Click here](#) for ideas to communicate your company's impact, and [click here](#) for tips on measuring your social good.**



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## Conclusion

A successful matching gift program can help your company attract and retain employees, showcase your corporate values, enhance your employees' experience, and — most importantly — make a difference.

There's no single formula that works for every company, and while we have pointed out a host of questions and details for your company to consider, a matching gift program is quite straightforward when you work with a partner like America's Charities.

With 40 years of experience managing employee giving programs and distributing matching gift funds for employers, our team has the process down to an art *and* a science. America's Charities can support your giving and engagement program from end to end. Our experts:

- Help you define your campaign's goal, purpose, cause focus, and provide expert recommendations when needed
- Vet charities throughout your campaign and remove ineligible organizations as needed
- Process donations and company matches and send them to the right charities at the right time
- Track and report money from the point of donation to the moment it is received by the charity
- Brand your giving portal, leverage it to tell your social good story, and ensure employees can easily give online
- Answer questions from your employees, executive leadership, and charities throughout the campaign
- Support your organization's communications and storytelling efforts
- And more

We are proud to serve as the workplace giving and charitable funds distribution partner for more than 50 organizations. Last year through matching gift campaigns alone, our clients and their employees contributed nearly \$6 million. And that only represented about a quarter of the campaigns we managed. Imagine the impact on employee engagement and the community if even more employers started matching gifts too?

Simply put, matching gift programs bring about change to our people and planet, engage your employees, and demonstrate your investment and commitment to your team and the community.

How can we help you? Contact your America's Charities' team at [businessdevelopment@charities.org](mailto:businessdevelopment@charities.org), call 703.674.5358, or visit [www.charities.org/matchinggifts](http://www.charities.org/matchinggifts) to share your needs with us and to learn more about our gift matching capabilities.

## Acknowledgments

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