

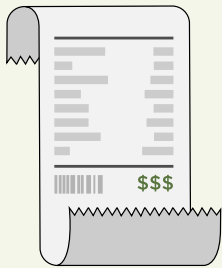
VOLUNTARY SURCHARGES

Story Clark and Maki Tazawa

Voluntary surcharge programs have raised millions of dollars for local land preservation. They are a financial tool for conservation in areas working to balance the draw of recreational and natural areas for visitors and the development pressures on those places.



Implementing Standard Financial Systems



Nonprofit conservation organizations have usually generated funding from local businesses through direct support via membership subscriptions, event sponsorships, and cash or material donations.

Since the late 1990s, conservationists and local businesses have partnered in new and creative ways to raise revenue for land conservation.

One such way, called a voluntary surcharge, places an added charge onto a retail, hospitality or lodging customer's final bill. The customer can opt out.

A sporting goods storeowner in Crested Butte, Colorado, started the model by having a surcharge on the sales at his store go to a local land trust.

Now, variations on this program are used by land trusts throughout the United States and internationally to raise funding for conservation.

Voluntary surcharge programs differ from typical voluntary donations that are common in places like grocery store checkouts in the fact that they require the customer to opt out rather opt in. A fee is automatically added to a customer's final bill.

A customer must choose to remove the charge if they don't want to pay it. The success of opt-out has been proven in a variety of fields through various studies, most famously for organ donation programs. It is also used in the environmental field in community-based social marketing (Mohr).

Voluntary surcharge programs have a variety of forms:

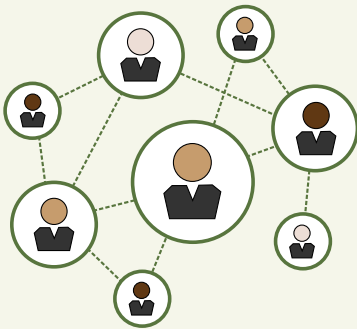
- Programs with charges that add a percentage of the bill such as a 1-percent surcharge on the purchase of a backpack or the cost of a dinner.
- Programs that add an additional flat fee, such as a \$2-per-night fee on a hotel room charge.
- Programs including just one business, such as a large hotel chain, versus a program with many companies.
- Programs of a range of durations – long-term, short-term, one-day, etc.

This type of fundraising is best for local land trusts or conservation groups that can tap into a nature-tourism-heavy community. A stream of new customers spending money in areas around their nature tourism is key for this model to work.

While these programs require both an upfront and sustained investment in outreach, training and marketing by the conservation entity, they have benefits that go beyond funding. These include building durable relationships with local businesses and raising organizational

awareness. They also include transforming employees at participating businesses into advocates and ambassadors for conservation. For businesses, they are able to benefit from customer good will and additional marketing from participating in the program.

Establishing a Program



Voluntary surcharges create opportunity to build new and synergistic relationships with local businesses.

Building these relationships requires sustained peer-to-

peer outreach. This often starts at the organization's board level with business owners reaching out to other business owners to discuss the value of local conservation to their businesses, to explain how the program's costs fall predominantly on the customers, and to show the reputational benefits businesses can receive.

Most voluntary surcharge programs have been launched by committed volunteers in the business community, as was the case with the Crested Butte Land Trust.

Another key, early step is making known how the funds will be used to benefit local conservation. Organizations must be known to be effective at what they do to attract businesses to this or any partnership program.

Making sure that a clear and professional method for collecting and disbursing funds is developed and communicated to all is essential. While establishing these programs can be time- and resource-intensive for organizations, there have been a few cases where foundations or companies have recognized the value of such programs and provided seed funding.

This was the case in Nantucket with a community-wide campaign that was supported by a grant of \$10,000 from American Express.

To encourage customers to support the program, organizations have created marketing materials that explain the opt-out option and the participation outcomes. The materials include promotional posters, table tents, and small flyers. They recognize the businesses that support the program. Some businesses welcome posters. Others may be more comfortable with flyers for the checkout counter or table tents in each room.

The goal with marketing materials is to make sure that they make sense for the business, that the business welcomes them, and that the option to opt out is clearly explained. Also, the organization must be comfortable that customers at the different businesses are well informed about the program. This conversation might cover the number of signs that should be displayed and where they should be placed.

Once businesses are on board, other practical details include collection and accounting logistics with proper accounting and bookkeeping protocols to track surcharge payments. They also include a payment schedule to send the donations collected to the conservation organization.

Maintaining Relationships



Building and maintaining relationships with businesses is the most essential and ongoing element of a surcharge program.

Many times, businesses will see the intrinsic value of supporting conservation, especially if they are in an area that depends on outdoor recreational tourism. These programs have been a good way for organizations to build relationships with local businesses and help to fund conservation programs in resort areas in particular. Finding an advocate in the local business community is an essential element of a successful program.

Once the businesses are committed, it is key to continue to keep them engaged and provide benefits for them whenever possible.

Acknowledgement and appreciation of participating businesses should be made publicly and frequently. The work involved in establishing a surcharge program should not be underestimated, so nonprofits should communicate with business owners about the reputation benefits.

Challenges of voluntary surcharge programs can include:

1. The time-intensive nature of setup.
2. The organization and monitoring of fund collection, which provides opportunities for organizations to keep in regular touch with their partners.
3. The need to make sure that bookkeeping methods are modified.
4. The assurance that the program is well marketed.
5. The certainty that partner-business employees are trained ongoingly to correctly represent the program to customers.
6. The necessity of continually highlighting the value of the partners, their customers, and the results.
7. The importance of focusing on businesses with tourist customers so that locals are not constantly burdened with surcharge payments.

Example Initiatives

1% FOR OPEN SPACE, COLORADO

Crested Butte Land Trust in Crested Butte, Colorado, at the inspiration of a sporting goods owner, launched the first voluntary surcharge program for conservation. Crested Butte has been a popular outdoor tourism destination since the 1960s (History of Crested Butte).

After another development led to the loss of valued open space, a member of the Crested Butte Land Trust's advisory

1 <https://www.patagonia.com/one-percent-for-the-planet.html>

2 <http://1percentforopenspace.org/about-1-for-open-space/>

3 https://riversedgewest.org/sites/default/files/resource-center-documents/Molly%20Presentation_01.17.14.pdf

4 <https://islandpress.org/book/a-field-guide-to-conservation-finance>

board, inspired by [Patagonia's 1% for the Planet](#)¹ initiative, began a program at his sporting goods store in 1997.

The funds received from the additional charge went to the Crested Butte Land Trust to support its conservation programs. The program became so broadly adopted by almost 100 local businesses in the Crested Butte and Gunnison area that the land trust established an independent non-profit program, 1% for Open Space, to manage it.

Between 1997 and 2014, the surcharge program raised \$1.9 million for land conservation and trail projects in the area. Grants from the funds have been disbursed for conservation projects that have protected over 5,100 acres. Details on this program can be found on the [website](#)². A related presentation on their process, including language and visuals they use for marketing, can be found [here](#)³.

TRUCKEE DONNER LAND TRUST AND TRUCKEE TRAILS FOUNDATION, CALIFORNIA

This variation on the surcharge model is sponsored by two organizations – the Truckee Donner Land Trust and the Truckee Trails Foundation. Five participating businesses in Truckee collect funds that are split 50/50 between the two organizations.

ST. SIMON ISLAND LAND TRUST, GEORGIA

St. Simon Island Land Trust created the 1% for St. Simons program to fund conservation of the barrier island of the same name. The land trust partners with a large hotel resort and house rental company that places a \$2 per night surcharge on each room. Since 2001 this program has generated approximately \$115,00 per year. It highlights the success of involving resorts, hotels and other similar businesses (Cooper).

More information on the history of voluntary surcharges, the case studies referenced here, and more can be found in [A Field Guide to Conservation Finance](#)⁴ by Story Clark, one of the authors of this article.

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*Our expert coauthors volunteer their time to assist our writers with these pieces.

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