
EXHIBIT 2.7 Reasonable Cost Guidelines for Solicitation Activities

Solicitation Activity	Reasonable Cost Guidelines*
Direct mail (acquisition)	\$1.25 to \$1.50 per \$1.00 raised
Direct mail (renewal)	\$0.20 to \$0.25 per \$1.00 raised
Membership associations	\$0.20 to \$0.30 per \$1.00 raised
Activities, benefits, and special events	\$0.50 per \$1.00 raised (gross revenue and direct costs only) [†]
Donor clubs and support group organizations	\$0.20 to \$0.30 per \$1.00 raised
Volunteer-led personal solicitation	\$0.10 to \$0.20 per \$1.00 raised
Corporations	\$0.20 per \$1.00 raised
Foundations	\$0.20 per \$1.00 raised
Special projects	\$0.10 to \$0.20 per \$1.00 raised
Capital campaigns	\$0.10 to \$0.20 per \$1.00 raised
Planned giving	\$0.20 to \$0.30 per \$1.00 raised

Reprinted with permission from Fund-Raising Cost Effectiveness: A Self-Assessment Workbook by James M. Greenfield (New York: John Wiley & Sons, Inc., 1996), 281.

**Sources: For direct mail guidelines—Direct Mail Marketing Association. For planned giving—Norman S. Fink and Howard C. Metzler, The Costs and Benefits of Deferred Giving (New York: Columbia University Press, 1982). For capital campaigns—American Association of Fund Raising Counsel, New York. The balance are derived from the author's direct experience, research, and publications.*

[†]Benefit event cost allocations: To calculate bottom-line total costs and net proceeds from a benefit event, calculate and add the indirect and overhead support expenses to direct costs incurred and subtract from gross revenue.