



Philanthropy & the Cannabis Industry: Is Your Organization Ready?



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Brand New Industry



Few Definitive Answers



Cole Memo – Measure of Feds Tolerance





 Legal/Financial

 Societal

 Political

 Ethical

 Public/Donor Opinion

 Staff/Board



Today's Agenda



Background



Case Studies



Social Responsibility in the Cannabis Industry

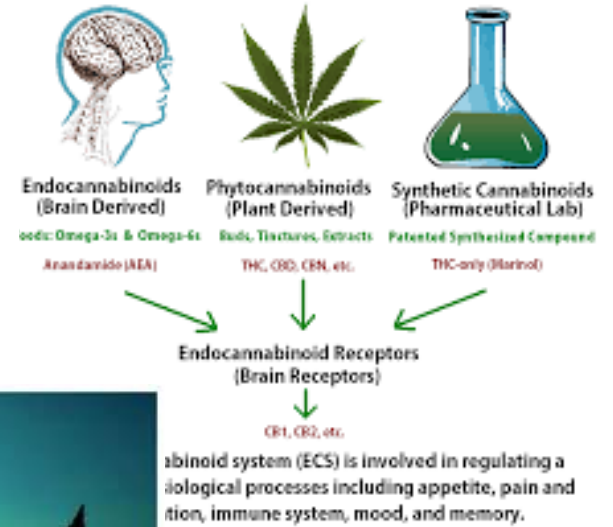


Considerations/Risk Management for your
Organization





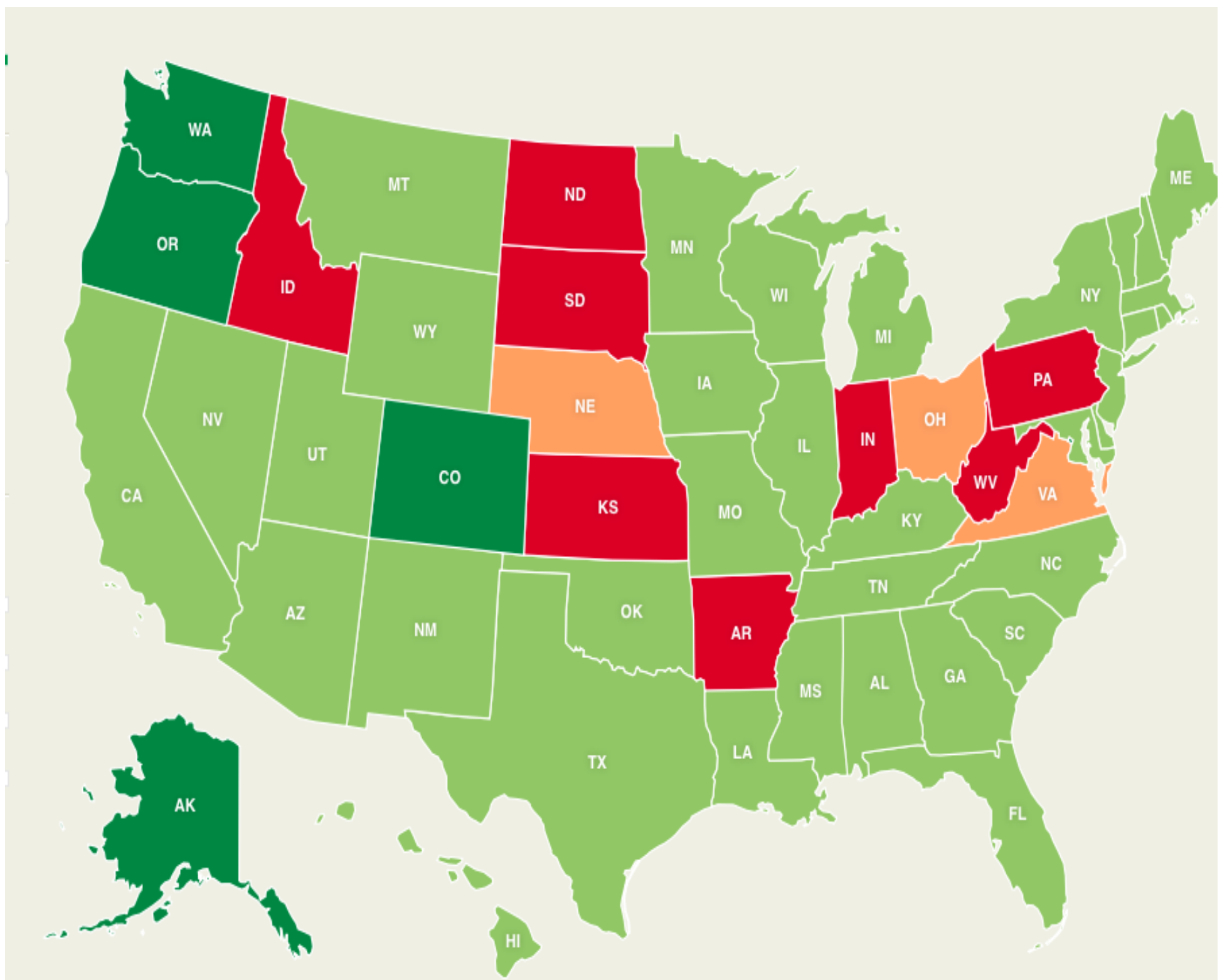
How Cannabis Works



"Then God said, 'I give you every seed-bearing plant on the face of the whole earth...And it was so.'"

• Genesis 1:29 - 1:31







Background – Cannabis Industry

1980s - Peter Lewis began donating to legalization efforts in CO & WA (\$40M-\$60M)

1994 – George Soros began donating to research & advocacy orgs (\$80M)

1996 – California permits use of medical marijuana; 23 states follow

2010 – CO legislature establishes worlds 1st for-profit system for sale & cultivation of Cannabis

2010 – National Cannabis Industry Association founded

2012 – WA passes laws permitting medical & recreational use

2014 – Achelis & Bodman Foundation donates \$300k to commission studies on negative impact of legalization

2015 – National Cannabis Bar Association formed

2015 – Vicente Sederberg Professor of Marijuana Law & Policy est.



Cannabis in Oregon



- 1935 – OR adopted the Uniform State Narcotic Drug Act, making Cannabis illegal**
- 1973 – First State to decriminalize Cannabis**
- 1986 – OR voters rejected Measure 5**
- 1997 – OR legislature passed HB 3643 - < 1oz = Class C misdemeanor**
- 1998 – OR voters passed Measure 67, establishing the OR Medical Marijuana Act**
- 2009 – 20,974 patients registered**
- 2010 – Oregon Board of Pharmacy reclassified Marijuana from a Schedule I to Schedule II drug**
- 2012 – OR voters rejected ballot measure legalizing recreational use**
- 2014 – OR voters passed Measure 91**
- 2016 – OLCC awards the first 8 licenses for recreational businesses**

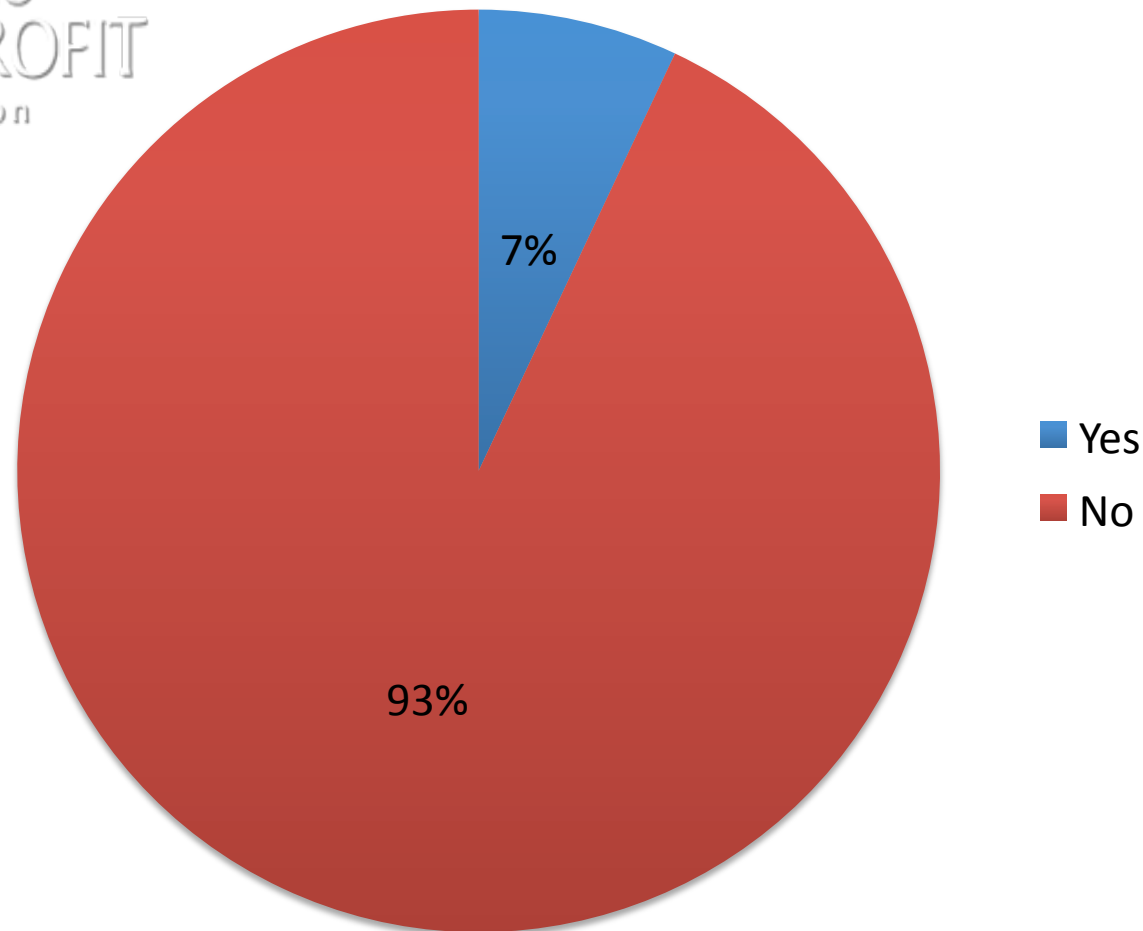


“...the solution is not to toss youthful offenders into jail or prisons. We long ago recognized alcoholism to be a disease and abandoned efforts to treat alcoholics simply by locking them up.”

Governor Tom McCall - 1973

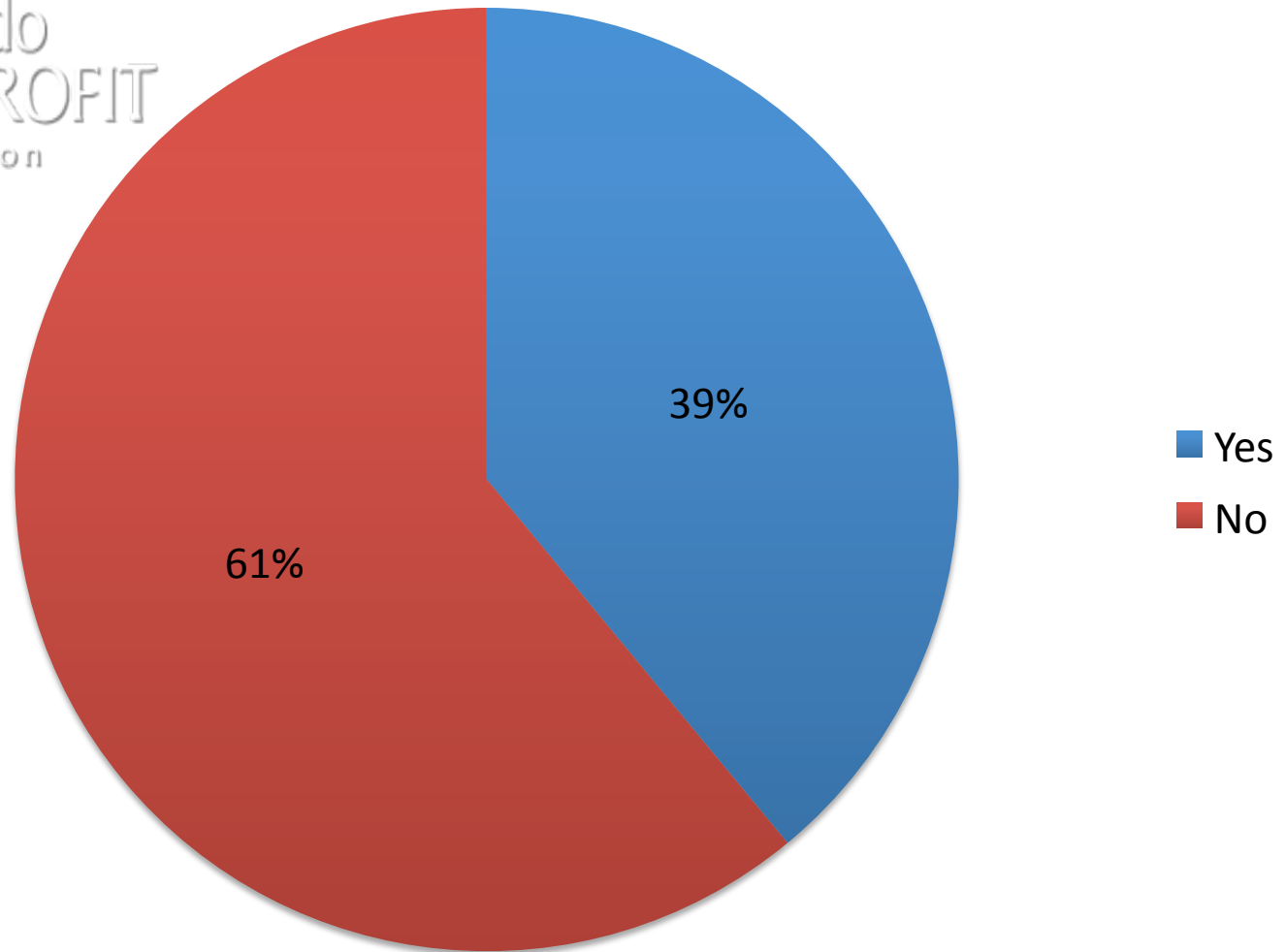
Colorado

Has your organization received any monetary donations from a marijuana business?



Colorado

Would you consider accepting a donation from a marijuana business in 2016?



Case Study – Team Fort Collins



History of organizing to shut down dispensaries



Idea of partnering w/industry was contentious



Shift after legalization & new ED



Engaged Industry leaders in “Responsible Association of Retailers” program, which expanded to include dispensaries



Treat Dispensaries like Brewers & Beverage Companies

Case Study – Team Fort Collins



Dispensaries sponsored annual Gala



Gave at the highest sponsorship levels – Logos, pictures prominently displayed



Lost 4 significant donors b/c org excluded industry



No negative press



Change took about 4 years

Case Study – Team Fort Collins



No comingling of funds – keep money from industry completely segregated from all other funds



Separate banks and separate accounts



Used \$ for equipment & distinct programs; not on operations or payroll; keep records of transactions

Case Study – Team Fort Collins



No changes to Gift Acceptance policy or By Laws



Established internal processes for handling gifts from Cannabis Industry



Case Study – Team Fort Collins



Stay up-to-date on the Feds positioning – Cole Memo



Segregate money from Cannabis Industry from other funds

Case Study – Colorado Symphony



Launched Marijuana-Friendly concerts, *“Classically Cannabis: the High Note Series”*



3 Fundraising Concerts, Summer 2014



Goal = \$150,000 net



Guests were invited to bring their own marijuana



Sponsors included marijuana retailers

“In today’s world, people are tired of going to the same old rubber-chicken events,”

Jerome Kern, CEO

Case Study – Colorado Symphony



1st Concert – 300 people, ask amt = \$75



Venue – Art Gallery in Denver



21 + only



Controversy over ticket sales



City threatened to withhold special-event permits if concerts were not cancelled



Tickets were refunded & organizers pivoted to private, invitation-only affairs

Case Study – Colorado Symphony



Blockbuster publicity



Gained 1,500 Twitter followers



Articles in WSJ, NYT and Denver Post



Interviews – BBC, Classical stations in NYC,
SFO



“Very Young Composers” gained national
media coverage



Patrons complained at first, but are now
supportive



Case Study – Colorado Symphony

“It (marijuana industry) is growing very, very rapidly...It wants to get engaged in the community, and like all performing-arts organizations you don’t turn money down.”

Jerome Kern, CEO



Case Study – Colorado Symphony **Other Perspectives**

“Although the politics of marijuana are changing, it is still a bit of controversial touchstone...What may work in Colorado and for a symphony orchestra simply wouldn’t work for a symphony orchestra in Texas or in many other states at this point.”

Michael Nilsen, AFP



Case Study – Colorado Symphony

Other Perspectives

“I think this music and this repertoire is transgenerational. It is an important and essential part of our society and really what makes a whole person. So if the Colorado Symphony has found another way to introduce that to a new audience, then, yes, more power to them.”

**Gary Good, Pacific Symphony
Orange County, CA**



Case Study – Illinois Valley Community College



2014 - In Grown Farms offers major gift for scholarship (\$200k to \$800k per year)



Scholarship will potentially support 66 low-income students



President is favorable as medical marijuana is legal in IL



“With student debt well past the one trillion mark, one can only hope the welfare of college students is more important than continuing to be afraid of stale stigmas.”

Jerry Corcoran, President
Illinois Valley Community College



Case Study – The Holistic Center, AZ



2014 – hosted charity event for MM holiday



Turned down by several potential beneficiaries



AZ Chapter – National MS Society accepted



Case Study – Fireweed Farms, WA



Offered \$14k gift to Prosser School District



Superintendent Ray Tolcacher turned it down citing his strong stance against youth marijuana use



Social Responsibility & the Cannabis Industry

We are
the **Drug**
Policy
Alliance.



Sponsoring a study on the subject



Focus Groups in CA, OR, CO



- 1) Industry leaders want to partner
- 2) Believe in supporting important causes
- 3) Worried about getting a “no”



Social Responsibility & the Cannabis Industry



Denver Relief – donates to Ekar Farm & Garden



The Clinic – has donated nearly \$300k to Colorado/ Wyoming Chapters of National Multiple Sclerosis Society



Good Chemistry – donates to One Colorado



Bloom Farms – donates to Marin Food Bank (1 meal for every product sold)



Pure Green – hosted canned food drive for Oregon Food Bank & participated in Race for the Cure



Social Responsibility & the Cannabis Industry

“Medical marijuana use is acceptable among our constituency. Last year, The Clinic became the top corporate team for Walk MS for Colorado and Wyoming.”

Kaylin Daniels
National MS Society

“We don’t feel right accepting donations from the profits and proceeds of the marijuana business that can devalue or diminish the quality of the family and lifestyle relationships of individuals.”

Connie Zimmerman, Founder
Colorado Homeless Families



Social Responsibility & the Cannabis Industry

Cann-I-Dream
Foundation



Facilitates philanthropy from the Industry



2 years old



Plans to offer DAFs in the future



Donating to St. Jude's, Glazer Pediatric Aids Foundation, Cannabis is Medicine Project, Food Bank of Contra Costa & Solano, Feeding America, Solano Family & Children's Services

Considerations for Your Organization



Mission, Vision, Values



Public Relations Impact



Donor Relations Impact



Policy Implications



Operations/Process



Risk & Reward Assessment

Advise



Don't comingle donations from Marijuana Business with other funds; separate accounts; clean records



Review OLCC license and application/renewal



Gifts of \$10k or more may require a federal form 8300



Don't promise charitable tax deduction



Cannabis Industry Donation Risk/Reward Assessment

Low Risk

Individual Donor

Low-dollar cash donations

Non-cash donations

No known marijuana-related business
source

No public recognition

No significant communication with Org



Cannabis Industry Donation Risk/Reward Assessment

High Risk

Marijuana Business is donor

Large cash donation with pot “odor”

Public recognition of donor

Business advertises its connection to Org



Questions & Discussion



Thanks for Participating!



SOURCES

We are
the **Drug**
Policy
Alliance.



THE CHRONICLE OF
PHILANTHROPY



wellness&prevention



Cann-I-Dream
Foundation