ARE YOUR READY FOR A CAPITAL CAMPAIGN?

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Presented by:

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A Capital Campaign . . .

- Time-limited effort to raise significant dollars for a specific project.
- Requires **extraordinary preparation** and skillful execution.
- Enables you to build your development program for the future.
Capital Campaign Phases

- Pre-Planning
- Planning
- Lead Gifts Insider Gifts
- General Gifts
- Follow Through
The Board is Responsible for the Campaign

Endorsement and Decision to Proceed

Campaign Planning and Project Accountability

Financial and Stewardship Accountability

Reporting Accountability

Campaign Cost Accountability
Preliminary Leadership Discussion

- Motivating plan? Why now?
  - Strategic Plan
  - Organizational Priority
  - Consequences of doing nothing?
  - Sustainability
- History of raising large gifts
- Affirm the Case for Support
  - Need, Impact, Benefit
- 100% Board Participation
  - Strategically
  - Fiscally
  - Role
- Approve Project Plans and Preliminary Budget
- Due diligence with constituency
- Internal readiness
- Income loss of annual fundraising?
Pre-Campaign Leadership

Steering Committee = Campaign Governance

Building Committee = Project Management

Members Should:

- Passionate about your mission and need for funding
- Representation from the Board
- Strong Networks
- Potential leadership beyond pre-planning stage
Is Your House in Order?

- Campaign experience of staff and volunteers
- Campaign Resources (time and $)
- Maturity of fundraising program
- Depth and breadth of donor/prospect pool
  - Lead donor prospects
- Database system
## Table of Needs = Budget

<table>
<thead>
<tr>
<th>$5 Million Campaign</th>
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<tbody>
<tr>
<td>New Building (design &amp; construction) $2,500,000</td>
</tr>
<tr>
<td>Project Costs $625,000</td>
</tr>
<tr>
<td>Internal Furnishings $500,000</td>
</tr>
<tr>
<td>Staffing and Expenses $125,000</td>
</tr>
<tr>
<td>Endowment $1,250,000</td>
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**Construction Costs:** Constructing the building and site including materials, labor, contractor fees, and general conditions

**Project Costs:** Construction costs plus architect/engineering fees, fixtures and equipment, contingency, additional services, testing and permitting fees
Don’t Forget...

Project Budget
- Legal and Permitting
- Owner’s Rep
- Contractor and oversight
- Business interruption
- Moving and relocation
- Storage
- in-kind goods, products and services

Campaign Budget (8-12%)
- Start Up costs
- Consultant
- Campaign Materials
- Marketing and Publicity
- Public Phase
- Donor Recognition and Naming Opportunities
- Events
- Website

Financial Projections
- Sustainability—Business plan
Cash flow projections
Finance charges on loans
Investment planning and oversight
# How to Determine $5M Goal

<table>
<thead>
<tr>
<th></th>
<th>Benchmark</th>
<th>Non-profit</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Feasibility Study</strong></td>
<td>10%</td>
<td>10%</td>
<td>$500,000</td>
</tr>
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</table>

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<thead>
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<th>Benchmark</th>
<th>Non-profit</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top Donors</strong></td>
<td>50%</td>
<td>50%</td>
<td>$2,500,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>24 Prospects = 10 Donors</td>
<td></td>
</tr>
<tr>
<td><strong>CPC &amp; MA Cultural</strong></td>
<td>0%</td>
<td>10%</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>All Other Donors</strong></td>
<td>30%</td>
<td>22%</td>
<td>$1,100,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Households, Businesses, Events</td>
</tr>
<tr>
<td><strong>Foundations</strong></td>
<td>10%</td>
<td>8%</td>
<td>$400,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>100%</td>
<td>100%</td>
<td>$5M</td>
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Case for Support

Need

Impact

Benefit
Creating a Compelling Argument For Need, Impact & Benefit Through:

**Ethos**
Establishing the organization’s reputation and credibility
- *Mission, History, Milestones*

**Logos**
Making a logical argument supported by reason and data
- *Goals, Budget, Data, Research*

**Pathos**
Creating an emotional appeal – convincing an audience of an argument by creating an emotional response
- *Testimonials, Images, Anecdotal Information, Call to Action, Urgency*
Constituency Database
A campaign feasibility study is a tool a nonprofit uses to determine whether it should go ahead with a capital or endowment fundraising campaign.
Why Conduct a Feasibility Study?

• Test the Climate & Measuring Potential
  • Identify potential roadblocks and solutions

• Case Statement Viability
  • Opinion and priority of the case for support

• Campaign Goal
  • Validate the financial goal and timeline

• Board Leadership and Other Key Volunteers
• Lead Donors
• Giving Climate
Identifying Prospects
(60-70 Names)

• Rate for Capacity and Inclination
  - Who cares about us and why?
  - Are there existing relationships?
  - Who is capable of giving at the right level?
  - How many degrees of separation are there?
  - Individuals with affluence and influence

• Key Board Members

• Corporate, Business, and Foundation Leaders

• Leadership and Major Gift Prospects (and need cultivation)

• Current and Lapsed Major Gift Donors
What Kinds of Questions Are Asked?

- Background of Individuals interviewed
- About the organization
  - Programs and services and the area it serves?
  - Profile in the Community
  - Are there problems to be addressed before commencing?
- Case for the project: Need, Impact, Benefit
  - Are the major needs supported by the majority?
- Review of Campaign goals
  - Is there active support from your constituency?
- Personal Involvement
- Personal Interests
- Wrap Up
# Summary of Key Findings

<table>
<thead>
<tr>
<th>87%</th>
<th>Stated project is important or very important</th>
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<tbody>
<tr>
<td>100%</td>
<td>Understood and accept the need as stated</td>
</tr>
<tr>
<td>90%</td>
<td>Case Statement was compelling and explained the need</td>
</tr>
<tr>
<td>90%</td>
<td>Felt the organization should proceed with a Capital Campaign</td>
</tr>
<tr>
<td>68%</td>
<td>$5M is NOT attainable</td>
</tr>
<tr>
<td>100%</td>
<td>Financially support the program</td>
</tr>
<tr>
<td>78%</td>
<td>High or medium philanthropic priority</td>
</tr>
<tr>
<td>100%</td>
<td>Potential donors</td>
</tr>
<tr>
<td>35%</td>
<td>Willing to volunteer for a campaign</td>
</tr>
<tr>
<td>78%</td>
<td>Believe gifts of $5,000+ can be secured</td>
</tr>
<tr>
<td>48%</td>
<td>Community would respond to a Capital Campaign lower $5M</td>
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ARE YOU READY?
Building Footprint
Renderings
Donor Recognition Wall
Naming Opportunities

This Cape Cod Healthcare facility in Mashpee is named in honor of

Charlie and Shirley Rogers

For their extraordinary philanthropic support of enhanced access to quality services for patients and their families throughout Cape Cod.
Final Case for Support

SHOP FOR THE HUNGRY CAMPAIGN
Working to Feed and Clothe Those in Need throughout Cape Cod

The Family Pantry of Cape Cod

EVERY $1 SPENT AT SECOND GLANCE THRIFT SHOP = 4 MEALS FOR THE HUNGRY
Briefcase

- Case for Support
- FAQ’s
- Pledge form
- Remittance Envelope
- Letters of Support
Prioritize Your Prospects

By Gift Capacity & Inclination (rating)

Top 25 lifetime donors

Top 20% of donors in previous fiscal year

Gift of $250+ through direct mail

Previously visited donors who need attention

Donors who upgraded/downgraded last year

Pick your top 50-250…Prospects to begin moves management

ASK
In Conclusion

- Board Support
- Strategic Plan: Vision
- Internal Readiness
- Steering & Building Committees
- Project Budget & Goal
- Floor Plans
- Renderings
- Board support
- Feasibility Study

- Screen and rate prospects
- Case for Support
- Committee descriptions
- Naming opportunities & donor recognition plans
- Letters of Support/Testimonials
- Board Campaign Training
Marathon – Not a Sprint