Capital Campaigns - Everything You Need to Know
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What is a Capital Campaign, and When Do You Need One?

A capital campaign, by definition, is an intense effort on the part of a nonprofit organization to raise significant dollars in a specified period of time. Usually the money raised is to fund acquiring, constructing, or renovating a building, but often the campaign's focus is on building an endowment for the future. In some cases, campaigns are initiated to fund extraordinary expenditures of a capital nature, such as an expensive piece of equipment for a hospital or a new fire truck for a fire company.

In cases where a capital campaign is for a new building or expansion of an existing facility, consideration should always be given to adding an endowment portion to the campaign goal. Organizations need to remember that a larger facility will almost always involve increased operating expenses. It is also important to remember that the focus of the campaign should not be on the building or amassing a large endowment fund, but on the benefits to the community that this facility or endowment will provide through expanded, increased or more efficient programming.

For many people, the emphasis in a capital campaign may be on the "pain." Campaigns do tend to disrupt the routine of the development office and the entire organization may feel the strain of the extra effort required for a year, two years or more, depending on the size of the campaign. However campaigns have several great benefits, which for many organizations offset the work involved. Some of these benefits include:

- Raising the money to fund a one-time need for the organization—in most cases having a building that meets the needs of the community served by the organization.
- Strengthening the organization's infrastructure—working on a campaign requires that the organization evaluate its readiness for a campaign, and subsequently build an infrastructure to run a campaign including staffing, board commitment, software to manage the campaign, gift acceptance polices, etc. This stronger infrastructure will leave the organization in a much better position to do ongoing fundraising.
- Volunteer involvement—most campaigns are very volunteer intensive often involving hundreds of volunteers in the organization's vision. A good campaign organization will include a post-campaign plan for retaining the involvement of volunteers.
- Increased public awareness—during a campaign, there will be great deal of publicity and cultivation efforts to help raise awareness of the organization in the community. These efforts, like the strengthened infrastructure, will help the organization's future fundraising efforts.

In future articles, we will talk about all of these aspects in more detail. But first the organization needs to decide whether they need a campaign, how much money they need to raise, and whether or not they are ready for a campaign.

Any discussion of a capital campaign should start with the strategic planning process. The board and staff must together evaluate the organization's needs for programs and services, and in the planning process should ask questions like: What is the potential for growth in our organization? How are the demographics of our constituents changing? Are we prepared to meet the needs of our community? Is our facility adequate to handle growing needs and if not, what do we need to do to improve the facility? Many organizations will plan a daylong retreat with board and staff, facilitated by a capital campaign consultant to lead them through this process. At this point often an architect or construction manager will also be brought in to help the organization determine how its facilities need to change in order to fulfill its mission.

The finance committee then needs to look at how the organization can finance these needs; will the added programs bring in more revenue? Is a short-term loan needed to fund the early stages of construction? How much does our organization have in reserves that could be applied to construction costs? How much do we think we can raise in the community in a capital campaign.

Once the organization reaches consensus that a campaign is in order, a steering committee is then appointed to take the organization to the next step. Members of this steering committee usually include someone with experience in construction, finance, and fundraising. Both board and staff members generally serve on the steering committee.

In the next few issues, we will talk about how to evaluate your internal readiness for a campaign and then move on to assessing the community's willingness and ability to support the campaign.

Are You Ready for a Campaign - Infrastructure

Once the board has reached a consensus on the campaign and appointed a steering committee, the next step is to do an internal assessment of the organization's readiness for a campaign. Often this is done through a formal development audit process. If time or circumstances do not permit a full-blown audit, the consultant chosen should perform an internal assessment as part of the planning study. In either case the consultant will be looking at various aspects of the organization's infrastructure.

Infrastructure includes the staffing of the organization as well as the office systems and procedures including software, gift acceptance policies, and office procedures. Running a capital campaign will be challenging for the organization that does not have its internal house in order.

Staffing for a campaign is critical. No matter what the size of the organization and the development staff, consideration must be given to the amount of time the campaign will take from the staff. This is an especially sensitive area for organizations that do not have a formal development office at all. In many smaller organizations, the executive director wears the development hat along with all his or her other duties. The executive director of the organization, even where there is a development office, will most likely spend 40-50 percent of his or her time on the campaign once it gets up and running. If the executive director is not prepared to accept this role, the campaign will suffer from this lack of commitment. Leadership level donors will want to talk with the CEO of the organization before making a major commitment. Donor cultivation is another key role of the CEO, so there will be countless meetings, lunches, cocktail parties, and early morning breakfasts at which the CEO will play a leading role.

The development office will coordinate all these cultivation events, working closely with the campaign consultant. In addition the development office will be responsible for prospect research, organizing volunteers, assuring proper stewardship, etc. For many small organizations, the chief development function may revolve around special events, which are very time consuming for staff. If the organization is focused on special events that may be bringing in modest revenues, instead of channeling the required amount of time and energy into the capital campaign, the campaign will suffer.

In cases where there is no development office, often a campaign director will be hired or a staff person may be pulled from current duties to manage the campaign. A word of caution when this is the case—there must be someone who will be assigned full-time to campaign coordination; this is not a task that can be done in a staff member's "spare time." Volunteers and donors need to know there is a person responsible for managing all the aspects of the campaign and someone they can go to with questions. Stewardship is a crucial part of all fundraising and is particularly important in a capital campaign.

One of the things that will make campaign management and stewardship flow more efficiently is a good campaign software package. The organization will need to access past giving history of donors and be able to use this donor history, combined with additional research, to qualify prospective donors and assign them to an appropriate solicitor. Donor history is an invaluable resource in the preparation for a capital campaign since, in most cases, the major gifts in a campaign will come from those who are already supporting the organization.

The organization preparing for a campaign will need to have specific fundraising software in place that allows for campaign coding structure, recording of multi-year pledges and generation of campaign reports. The coding of the software system is essential to be able to sort prospects by the division in which they will be contacted (i.e. Leadership Gifts, Major Gifts, etc.) and assign a solicitor to every prospect, so the campaign director can sort prospect names by solicitor in order to track the success of volunteer solicitors.

Another important function of the chosen software system will be to generate the campaign reports that will be needed for the board, the campaign cabinet and committees, and lending institutions. For example, the board will want to track pledges received and cash received against those pledges; the campaign cabinet and various committees will need to see overall campaign progress reports and reports within their division by solicitor. If interim financing is going to be sought to finance the construction costs while pledges are being paid, the lending institution will want to see a cash flow projection showing how many pledges are outstanding and when it is anticipated those pledges will be paid.

Sometimes organizations feel they can do all this by customizing a program like Access or Excel; however, it is often “penny-wise and pound-foolish” to resist purchasing a software designed especially for fundraising which will provide all the tools necessary to manage a campaign with little or no customization. And purchasing fundraising software provides the added benefits of having support from the software company, manuals explaining the various functions of the software, and a group of users who are operating the same system and can provide an additional means of support for staff. One thing that is important is that a designated database manager is in place who can devote the time to managing the campaign aspects of the development program, and that this person receives the training and support they need to assure accurate data entry and reporting.

In addition to staffing and software, internal policies and procedures are another essential ingredient that must be assessed. The organization should have gift acceptance policies in place, which will provide staff and volunteers with guidelines on what type of gifts will be accepted during the campaign, from whom gifts will be accepted, and how these gifts will be recognized and, in some cases, how they will be disposed of.

Internal procedures should also be in place for the accepting, recording, and acknowledgment of pledges gifts received. For instance, who opens mail, photocopies checks, makes the bank deposit, and signs the acknowledgement letters. These procedures should be in place for all fundraising but will be especially important in the campaign since this may be the first time the organization has accepted multi-year pledges in addition to one-time gifts.

Are You Ready for a Campaign—Board, Volunteers and Donors

We've talked about the infrastructure needed to run a capital campaign. Human resources are the next topic to address. Who needs to be involved in the campaign, other than staff? There are three areas to consider in this regard—the board's commitment, volunteer leadership and a pool of donors for the campaign.

Board commitment is one of the key areas that need to be addressed before moving forward with a campaign. Has the board reached consensus that this campaign is needed and have they agreed on a preliminary goal for the campaign? Does the board understand its role in the campaign and that the role will include a financial commitment as well as working on the campaign? It is recommended that once the board has decided a campaign is in order that they pass a formal resolution at a board meeting to proceed with the planning for a campaign. It is wise, at this juncture in the planning process, that a consultant come in and talk to the board about its role in the campaign so board members understand what is involved in running a campaign before they pass a resolution to move forward. Once the planning study is begun, board input into the preliminary case for support will be needed. And, providing the study is positive and the campaign moves ahead, board members will need to understand that one hundred percent board giving to the campaign will be required before asking the public to support the campaign. At least three to five board members should also be committed to working on the campaign cabinet and recruiting others to become involved. All board members must be willing to support the campaign to the extent they can contribute both time and dollars. The presence of board members at key campaign events will be required in order to show their united support of this project.

It will be helpful, although not always necessary, that at least some board members have the ability to make a substantial leadership gift to the campaign. This will depend very much on the makeup of the board, which is why many organizations preparing for a campaign will start to beef up their boards in advance of the campaign. For grassroots organizations and those with community-based boards, the lack of cash and clout on the board can be compensated for with the right approach to recruiting key volunteer leadership.

Volunteer leadership is, in this author's opinion, the single most important element of a successful campaign. The board and staff alone should not try to run a campaign without support of key community leaders. Before recruiting people to serve on the campaign cabinet, the steering committee should review a list of potential donors and try to get those with the greatest potential to give to also become involved in the campaign. A list of corporate and individual donors will be developed through the planning study process and this can serve as the basis for recruiting campaign leadership. It will be vital to include key community leaders in the planning study process. It is much easier to invite these leaders to serve in a campaign capacity if they've been included in the planning process.

Volunteer recruitment will need to be handled with extreme care. Often, organizations want to jump the gun and start recruiting campaign leadership before they have a clear idea of the expectations for these volunteers. It will be vital to have a campaign plan in place that includes, among other things, position descriptions for all volunteer roles and timelines for each committee. Trying to fit volunteers into roles after they are recruited is like hiring a staff person and then deciding what the organization wants the person to do. The volunteer recruitment process must be handled just as carefully as one would handle hiring a staff person, with due diligence and thoughtfulness of the best role for this volunteer. We will talk more about this in a future article on structuring the campaign.

Finally, there is one more group of people that need to be evaluated and included—donors! That sounds pretty basic, that we need donors before entering into a campaign. But surprisingly many organizations feel that the campaign will generate its own interest in the organization and that they will find a whole cadre of new donors. While it is true that often campaigns do help an organization uncover and involve new donors, the majority of donors to a campaign will come from those who are already aware of and support the organization. So a careful study should be done of the potential for major gifts among the organization's current donor pool. One good way to evaluate this is to look at the level of giving from past donors. Who is on the list of the top 10% of the organization's donors? Who are the loyal donors who give year after year, even if not at a significant level? Here is where the donor software discussed earlier comes in. The organization that has a good software system with up-to-date information will more easily develop a list of potential donors than the one that needs to search through hard copy records or institutional memory. Although the planning study may uncover a whole new list of potential donors, the consultant will need a base of people to interview. So organizations should start preparing a list of potential donors as soon as they feel they are ready to start a planning study.

Developing Your Case for Support - Telling Your Story

One of the first steps in the campaign is to develop a case for support for this campaign. All organizations should have a case for support for their organization. If the organization has not yet developed an organizational case for support, the campaign is the perfect opportunity to develop one from which the campaign case statement will be developed. This is the first essential ingredient in effectively communicating the organization's needs to its constituents.

A preliminary case for support needs to be developed before the planning study is begun. Consultants will need a written piece of information that outlines the organization's programs and the needs that will be addressed in this campaign to share with the people being interviewed. The preliminary case statement will then be refined during the study before being translated into a final case statement for the campaign. Some of the key ingredients that will be in the case for support include:

- Mission
- Vision
- History
- Current Programs and Services
- List of Board and Staff
- Financial Information
- Need for Future Growth
- Plan for Addressing These Needs
- Opportunities for the Donor to Participate in the Vision

Readers of the case statement will want to know the mission and vision of the organization, what does the organization do, where is it headed, what are its values, and why is it important to the community.

The history of the organization is important, especially to the degree that the organization can show a track record of success. Most donors will not want to support a project unless they know the organization can deliver what it promises. When an organization can demonstrate it has successfully provided programs and has evaluated its success, donors are motivated to be a part of its future success.

The organizational case for support should outline all the organization's programs and services in detail. The campaign case statement will focus on the programs and services that will be involved in this project. For example if a college is raising money for a new performing arts center, the focus should be on the need for expanded programs in this area, the potential audiences for these programs and the benefit to the students and community.

Additional items that need to be included in the case are a list of board and staff. Knowing that the governance of an organization is in the hands of well known and respected community leaders will assure the reader that the organization is governed by people that have the abilities to monitor organization progress and assure that its programs serve the mission of the organization. Likewise, a staff that has the credentials to run the programs is important. Also a sound financial picture must be presented. Donors will not want to support a "sinking ship." In the campaign case statement, well thought out projections of the financing to build the project will be important.

There must be a clear need for this project, not related to the organization alone, but to the community of which the donor is part. And there must be a logical plan for addressing the needs. Occasionally an organization will do a planning study to determine the community's take on several plans but they should have a clear idea of their needs and how they plan to address those needs. An organization cannot go to the public and say, "we think we need more space" without showing that it has evaluated several options and chosen one or two that make the most sense.

Perhaps the most important thing to remember when developing the case for support is that it should always be written from the donor's point of view, not the organization's need. What's in it for the donor?

How can the donor become involved? There should be various options for donor's investment in the project—named giving opportunities, pledges over a period of years, planned giving opportunities, matching gifts. And donor benefits should be spelled out. Remember that to be compelling a case statement needs to have a sense of urgency, but should never appear "desperate." Remember too, that the case needs to have both emotional and rational reasons for the donor to give. Donors will be drawn in first by emotion, but before writing a check or signing a pledge card, they will want to be assured that this plan has been carefully thought out. More information will be given next week about the process of developing the case statement and how to use it in the campaign.

Developing Your Case for Support—Preparing Prospects for the "Ask"

In our last article in this series, we introduced readers to the case for support and how it fits into the capital campaign. In this article we will talk about how to prepare the case statement, how to involve donors and how to translate the case into the various campaign documents that will be needed to convey the campaign message to the constituents.

Who should write the case statement and where does one get started?

One thing that should always be remembered is that there must be one author of the case statement. Although it is wise to get input from a variety of sources, the case will not flow well if several authors with different styles write it. In many instances, consultants will write the case, sometimes development professionals write it. Occasionally the case is written by a public relations firm or marketing department; however, a word of caution in these instances is that the case is a fundraising piece, not a publicity piece, and needs to be written by someone who understands the psychology and techniques of fundraising.

The sequence for writing a campaign case statement is:

- Develop or review the organizational case for support.
- Prepare a preliminary campaign case statement based on the organizational case for support.
- Test the preliminary case statement through a planning study or other means.
- Prepare the final campaign case statement based on input received during the planning study.
- Translate the case statement into appropriate campaign materials.

It is essential to have the final case statement done before attempting to develop campaign brochures and other materials. All campaign materials must be based on the case statement in order to present a uniform message to all constituents. Even though the materials may be different in format, the message must be the same.

Involving Donors in the Case Statement

The planning study (which will be discussed in more detail in future issues) is the ideal way to test the case statement and to involve donors in the early phases of its development. A preliminary case statement is developed to be used when the consultant interviews people about their interest in supporting the campaign. Sometimes this piece may be referred to as a statement of need or by other terminology, but basically it is the preliminary case statement. The preliminary case statement may not have all the emotionalism and graphics that will be in the final case statement, but it will have most of the essential ingredients, including opportunities for donors to become involved. An essential element of the preliminary case is the scale of gifts, showing donors what size gifts are needed in order for this campaign to succeed. It is important to involve donors in this process, and to show them that leadership gifts are needed if the campaign is to reach its goals. The scale of gifts also shows that all size gifts are important and that no campaign ever succeeds on the premise of getting '1,000 people to give $1,000.' There are always those few who can give at leadership levels, more who can give mid-range gifts, and many who can support the campaign with modest gifts. This is a fact of life in every campaign and it is important to explain this principle to donors early on in the campaign process.

In rare occasions where a planning study is not done prior to a campaign, it will still be important to involve donors in the development of the case statement. Some ways this can be done are though personal interviews with selected donors to get their input, or through a series of focus groups where the case can be presented and discussed. Involving donors in the development of the case assures that the organization is on the right track and gets buy in from key donors before the campaign is launched. In some instances, the organization may be heading down a wrong path unaware that its constituents will not be supportive of the campaign. It is best to find this out before the campaign plan is finalized than to find out mid-stream that the community will not support this project.

The Final Step in Case Development

The final step to complete the case is taking the information gained in the planning study, or other processes used to obtain donor input, and finalize the campaign case statement. Sometimes goals will change, named giving opportunities may be revised, certain aspects of the program may be given more or less emphasis based on the input received. In most instances, there are not dramatic changes to the case. At this juncture, it is also important to test the case to make sure it contains personal stories that will draw the reader in emotionally as well as rational explanation of why this campaign is needed. The organization will also want to gather some dramatic photographs, plans for the building and other graphics that help illustrate the project.

Once the final internal case is completed, it is now time to think about what kind of campaign materials will effectively present the case. Typical campaign materials developed from the case statement include:

- Grant applications
- Individual donor proposals
- Brochures
- Pledge cards and letters of intent
- Letterhead and envelopes
- Response envelopes
- Website or web page
- Press releases
- Campaign newsletters
- Speeches
- Fact sheets
- Questions and answer sheets
- Volunteer training materials
- Solicitation letters
- Phone scripts
- Named gift opportunities forms

Remember that different constituents will want to see different aspects of the campaign, and although the way the message is presented will vary according to donor needs and expectations, the message must be consistent in all campaign materials.

The Planning Study—Internal Assessment

The planning study is an important step in the campaign process. Almost every organization needs to consider a study before launching their campaign. The study provides the organization with the means to assess both their internal readiness to do a campaign and the community's willingness to support the campaign.

In earlier issues of this series we've talked about all the essential ingredients the organization needs to consider in its internal readiness. This issue will explain how that internal readiness is assessed during a study. In the next issue we will discuss how the external readiness for a campaign is assessed.

There are several areas an internal assessment should address—organizational structure, software, staffing, board issues, policies and procedures. Sometimes this internal assessment involves a full-blown development audit, other times it is done as the first step in the planning study. Sometimes, development staff is reluctant to suggest an audit for fear they will not "pass." Engaging a consultant to do an audit of the development office should not be looked at as a "witch hunt;" the consultant is not there to find a reason to get rid of staff, but is there to do an honest assessment and make recommendations that will make the organization stronger and prepare it for the campaign. A development audit is not something the organization can do on its own. For the same reason the organization does not attempt to do its financial audit on its own, the development audit needs an expert outsider to study the development program and prepare an objective report. There are, however, some guidelines that the organization can use to do a preliminary evaluation of its program. (*A development evaluation form is available on this author's website at www.cvfundraising.com*.)

Often the consultant will start with a questionnaire to be completed by staff and board members and a review of the entire development program. This is usually followed with interviews with development staff, CEO, board members and sometimes other staff and volunteers. Areas usually addressed in the audit or internal assessment include:

- Development communications—newsletters, solicitation letters, website, etc.
- Research methods and results
- Basic information on the organization's structure (is it a 501(c)(3), is it registered with proper state and local authorities, etc.)
- The role of the board—board organizational charts, position descriptions, committee descriptions, etc.
- Staffing in the development office and assignment of duties
- The role of the development office in the overall organizational chart
- Results of various fundraising programs, such as special events, direct mail, telephone programs, face to face solicitation
- The success of the planned giving program, if relevant
- The success of past capital campaigns, if relevant
- Software system, information recording and reporting
- Stewardship acknowledgment and recognition of gifts
- The strength of the organization's financial position
- Public awareness of the organization
- The role of the CEO in fundraising

Some of the key areas that the consultant will be analyzing in regard to the organizations readiness to launch a campaign are:

- Does the staff have time to manage a campaign or are they involved in other tasks, development or non-development related? Warning signs such as an organization's staff spending all its time on special events, or development staff that spend part of their time on development and part on other areas of the organization, are of concern when preparing for a campaign.

- The importance given to the development function within the organization. A development officer that does not report to the CEO, or an organization that does not spend money on providing the development office with the necessary tools to perform its job, or is reluctant to budget for continuing education for development staff, is another sign of trouble.
- The size and structure of the board are important keys to success. A small or ineffectual board may be a sign that the community will be reluctant to support a campaign or that the board will not have the necessary contacts to get interviews with key community leaders.
- It is essential to have good systems in place. The campaign may be the first time an organization will record multi-year pledges and a system that allows for proper pledge recording and coding will be needed. If the organization does not have a good software system in place, one should be purchased prior to launching the campaign.

The internal assessment will take anywhere from several weeks to several months depending on the complexity of the organization and the depth to which the consultant assesses each aspect of the development program. For an organization that has never done a campaign before, a complete development audit may be in order. If the organization feels they have a fairly strong development program, or when there is not sufficient time to engage in a full-blown audit, an abbreviated version may be done during the study process, and a full development audit may take place after the study is completed.

Whichever method is used to complete this task, it is essential that some type of internal assessment of the organization’s ability to run a campaign be completed before moving on to the external assessment.

The Planning Study—External Assessment

Once the organization has determined it is internally ready to run a capital campaign the next step is doing an external assessment of whether the community is willing and able to support the project.

The planning study is the most common way an organization assesses its community's ability and willingness to support the campaign. Sometime called the feasibility study, the planning study helps the organization determine if the key factors for success are present—sufficient leadership gifts, key community leaders willing to serve in leadership roles in the campaign, and a compelling case for support.

The planning study should always be done by outside counsel. Interviewees will generally be reluctant to speak frankly to a representative of the organization about its case. Also, a professional experienced in studies will need to analyze the data and provide objective recommendations. Organizations who have a limited budget should consider outside counsel for the study, even if they feel they could run the campaign themselves.

Once a consultant is engaged to do the study, that consultant will work with the organization to determine who are they key players that will be interviewed during the study. In most cases, anywhere from 35 to 50 people will be interviewed. Sometimes it will be necessary to interview more people due to the size or scope of the campaign. Occasionally a study will involve fewer interviews if the goal is very small. Interviewing the right people is more important than the number of interviews. Generally a list of about 75 to 100 people is developed by the organization and then the consultant and the steering committee will review that list and sort the names by categories A, B and C, with the A list being those who it is essential to interview, the B list those who should be interviewed, and the C list those who could be interviewed.

Some categories of people who should be interviewed include:

- Top donors to the organization
- Potential major donors to the organization
- Key board members
- Key staff people
- Community leaders
- Key volunteers
- Political leaders, especially if it is anticipated that there will be government support of the project

Once the list of interviewees has been developed, letters are sent first to the A List, and then interviews are scheduled with those people. These are followed by the B list and then the C list, if necessary, to complete the number of interviews needed. Be aware, however, that this list is fluid. Often during the interview process, new names will surface that had not been on any of the previous lists, but have been identified by interviewees as someone that would have the interest and ability to make a major gift to the campaign.

Interviews may be scheduled by the organization or by the consultant, depending on the terms of the contract. It is generally best to have a person who has some familiarity and influence with the interviewee schedule the interview. While most major donors and community leaders are familiar with the process and usually agree to interviews, it is sometimes difficult to get into their busy schedules.

The person scheduling the interview needs to be creative and persistent in making calls, sometimes calling early in the morning before the "gatekeeper" answers the phone, or if the organization has access to the person's cell number, this can also be effective.

Once the interview is scheduled, a confirmation letter is generally sent along with the preliminary case statement so the interviewee has an opportunity to familiarize himself or herself with the case before the consultant arrives for the interview. In general, consultants will want to interview people in their own homes or offices, as there are often clues about the person's ability and interests in their surroundings. And most people are more likely to talk more freely when they feel they are in control of the situation.

During the interviews, the consultant will be asking interviewees their opinion on the organization itself, the strength of the case, their propensity to make a major gift, their willingness to serve in a leadership role in the campaign, and their suggestions for other donors and/or volunteers to the campaign.

The consultants will then prepare a report for the organization's leadership outlining the qualitative and quantitative responses to the questions asked, and their recommendation for moving forward with a campaign, along with a proposed time schedule for the campaign. If the consultant recommends that the organization is not ready for a campaign, they will provide recommendations on what the organization needs to do to better prepare itself for a campaign.

The Campaign Plan—Structuring Your Campaign

Once the organization has completed the planning study and decides to proceed with a campaign, the first step in that process is to develop a campaign plan outlining the entire structure of the campaign. If the organization is working with a consultant, generally the consultant will develop the plan. If there is no consultant involved, the organization must allow sufficient time for staff to develop the plan.

The campaign plan is the foundation for a successful campaign and will help the organization get things off to a good start. The plan should include a brief overview of the process taken by the organization that led to the campaign. A key ingredient of the plan is the campaign organizational chart showing all the various divisions of the campaign and the number of committee people that will be needed to staff all the divisions. Position descriptions for all volunteers should also be included in the plan along with a timeline for each committee and an overall time schedule. The campaign budget is also part of the plan. Volunteers should not be recruited until the plan is completed. It will be critical to show volunteers that a well thought out plan has been developed so they understand their role and the time and monetary expectations that will be asked of volunteers. The principle groups of volunteers that will be involved are members of the campaign cabinet, which includes chairs of all the various committees that will be involved in the campaign.

Determining the divisions that will be included in the campaign is the first step in the plan. In every campaign there will be a gifts division and a major gifts division, along with a general community appeal division. Sometimes, depending on the size of the campaign and the scale of gifts that are needed to achieve the goal, there may be other categories based on the size of gifts, such as special gifts. Some campaigns, however, choose to break out the divisions by categories of constituents and then within these divisions will be different levels of giving. For example, a school might have a parents division, an alumni division and a "friends of the school" division. Or a membership organization might have a division that will contact its members. Or, if the organization is national in scope, there may be different divisions based on geographic location. There is often a civic and professional organization division that will contact local community groups for their support. Also a foundation division is generally in place to coordinate the approach to foundations, and a small business division to contact businesses in the community.

In addition to the various campaign divisions that will be directly involved in soliciting donors, there are several other committees that will be included the campaign organizational chart. There is generally a prospect evaluation committee, whose task will be to identify and evaluate prospects and assign them to the proper divisions. Most campaigns will also have a PR committee to handle media relations for the campaign and the development of campaign materials, however sometimes this is done through internal staff or the PR committee of the board. There will also be several campaign related events such as a kickoff celebration, a groundbreaking and dedication, and open house event, and all of these events will need volunteers. Usually there is a main events committee on the campaign chart and that chair will recruit different people to work on each event. There are often cultivation events held as a part of the campaign process, and these usually fall under the events committee as well.

In cases where there is not a finance department or a finance committee of the board to handle things like the campaign budget and financing options, a special committee may need to be established to handle this part of the campaign. Likewise, if there isn't already a facilities committee in the organization, a committee to handle the actual construction may be part of the campaign cabinet.

Some organizations may have other committees as well. For example churches and faith-based organizations will usually have a prayer committee as part of their campaign cabinet.

Each committee that will be involved in directly soliciting prospective donors should have its own goals within the campaign goal. These goals should be spelled out in the campaign plan as well as an overall scale of gifts showing how many gifts at each level will be needed.

Other important parts of the campaign plan are gift acceptance polices and recognition polices. It is vital to have these in place before the campaign is launched. One of the worst experiences for a volunteer can be to successfully solicit a gift and then find out that the gift is not acceptable to the organization or that the way the donor wishes to be recognized is not in conformity with organizational policies.

Having the campaign plan in place and assuring that it is followed will make any campaign flow smoother. Like the planning study, it is one of the essential building blocks of a successful campaign.

Budgeting the Campaign

There are two budget areas that must be considered when embarking on a capital campaign—the project budget and the campaign budget.

The Project Budget

If the project involves construction, the architect or construction manager will generally help develop the budget for the building. This budget will include items such as:

1. Construction costs (sometimes called hard costs, soft costs being expenses such as fees and permits).
2. Architectural fees (usually a percentage of the project).
3. Architectural renderings (The renderings need to be completed before the campaign is launched because they play an important role in building the case for support. The costs affiliated with the renderings will need to be funded up front.)
4. Engineering and contractor fees.
5. Fees and permits required by local municipalities.
6. Environmental impact statements including historical impact studies if the building involves a historical structure.
7. Possible environmental clean up if issues are found such as asbestos removal, soil remediation, etc.
8. Furniture, fixtures and equipment.
9. Communication systems (telephone, internet, etc.)
10. Computer systems, including wiring.
11. Rental for office space during construction phase (if needed).
12. Interest on loans for construction or bridge loan while pledges are being paid.
13. Inflation (the longer the project is delayed, the higher expenses will be).
14. Contingency for unexpected expenses.

Campaign Budget

Campaign expenses are a separate budget and are often funded through the campaign itself. For some organizations, if their operating budget allows for covering campaign expenses, the entire campaign dollars raised can go directly into the project. However, in most cases, these expenses will be folded into the overall goal for the campaign. Fundraising costs are dependent on many factors, such as the size of the campaign, the duration of the campaign, the geographic scope of the campaign, the amount of time required from a consultant, and the existing fundraising structure in place within the organization.

As a general rule these costs will run somewhere between 5% and 15% of the total campaign goal. Generally the larger the campaign, the lower this percentage will be.

The campaign budget may include such items as:

Personnel

If the organization needs to hire extra staff to manage the campaign, the budget should include salaries, benefits, and employment taxes.

Professional Services

This line item may include a campaign consultant, a grantwriter, a public relations consultant, and outside bookkeeping services. The organization should be sure that proposals from consultants include all anticipated expenses. Does the consultant require housing while on site, will there be rental cars, airfare, mileage expenses? Organizations should check with their state regulatory authorities to make sure their consultant contracts comply with state laws and that the counsel being engaged is registered in their state where registration is required.

Marketing and Education Materials

This line item should include all of the materials needed to promote the campaign including:

- graphic design;
- photography;
- printing of brochures, letterhead and envelopes;
- website design;
- audio visuals; and,
- telephone fundraising firm.

A word of caution on engaging telephone consulting firms. The organization should look for firms that work on a flat fee basis, not a percentage based fees, which is unethical according to AFP standards. In many states firms are required to disclose their fee if they work on a percentage basis.

Donor Recognition

How you will recognize donors needs to be planned early on, so donors can be advised as to what type of recognition they will receive. This line item should include the costs of both design and installation.

Campaign Events

Events should include donor cultivation, the kickoff event, report meetings, groundbreaking and dedication events. Event expenses will generally include facility rental, entertainment, equipment rental, catering, and possibly an event director or the fee for a professional events consultant.

Support Systems

If the organization needs to purchase software or hardware this can become a line item in the campaign budget or in the general operating budget, since the system will be used for ongoing development operations. Other line item expenses in this category will include telephone, fax, and Internet costs directly related to the campaign. Include line items for postage and office supplies in this category, as well.

Travel

Travel expenses may be a factor if the campaign is regional or national in scope, or if trips to national or regional foundations to solicit funds are required. Don’t underestimate this category, as it is often more costly then most campaigns budget for. Include line items for the travel (air, rental car, taxis, etc.), a set per diem cost, and entertainment expenses.

This campaign budget does not include the costs of a feasibility study, which can cost anywhere from $5,000 to $50,000 and should be undertaken before you begin to seriously work on the campaign itself.

The campaign budget should be developed during the campaign planning phase and monitored on a monthly basis.

Campaign Volunteers

Once the campaign plan is in place, the organization can start recruiting volunteers to help implement the plan. While the role of staff and board will be important during the campaign, the role of volunteers is critical to success and should not be undervalued.

Involving key community leaders as volunteers in the campaign will assure that the entire community will get involved. Recruiting the right campaign chair is the first step in getting community leaders involved.

A chair who is well known and respected in the community will be able to use his or her influence to recruit other community leaders to serve on the campaign cabinet. (The cabinet is also sometimes called the campaign advisory committee, or the campaign board.) The chair should be someone who has the passion for the organization so that he or she can speak with enthusiasm about the project and the organization.

Leadership qualities are also important, as the campaign chair needs to motivate and inspire all the other cabinet members as well as the volunteers who will be involved in the campaign. In many cases, there will be co-chairs of a campaign or a chair and vice chair. The organization should carefully evaluate the reasons to include more than one person as chair, as this will require a little more coordination, and clear roles need to be defined for each person in a leadership role.

It is critical to recruit the chair before enlisting others to sit on the campaign cabinet, because people will be reluctant to get involved if they don't know who will direct their efforts. The right campaign chair(s) can be very influential in recruiting the rest of the cabinet. Once the campaign chair is in place, the other cabinet positions can be filled.

Working with the organizational structure described in an earlier article, chairs must be recruited for each division within the campaign. It is strongly recommended that each committee has two co-chairs. Sharing the workload makes it easier to get people to agree to chair a committee, and helps assure attendance at campaign cabinet meetings by at least one of the chairs. Division chairs must be carefully selected to suit the needs of the committees they will be heading.

For example, the chairs of the leadership gifts division should be people who will make a leadership level gift themselves and have the contacts and influence to talk with others with leadership gift capability. Likewise, chairs of the special event committee need to be people with strong organizational skills, who know how to run a successful event.

Each prospect for a division chair should be discussed with the campaign chair(s) to determine if this person has the right qualities and if the Chair(s) feel this candidate is a good choice to head that specific division.

It will be critical to have developed the position descriptions and timelines for each division before recruiting chairs of those divisions. The chairs of each division will then recruit enough volunteers to handle the task they have accepted.

Divisions who will undertake face-to-face solicitation should always follow the rule of one volunteer for every five prospects that are to be seen. In some cases, especially at the leadership gifts level, solicitors may even call on fewer than five people, because the size of the gifts being solicited will require numerous visits before the person is prepared to make a commitment.

Depending on the number of potential donors in a division, it may be necessary to have a structure of team leaders within the division who will recruit additional volunteers. For example, if the small business division has 500 prospects to solicit, they will need 100 volunteers, so rather than have the chairs try to recruit 100 volunteers for their division, they can recruit 20 team leaders who will in turn each recruit five volunteers, thereby assuring that all prospects can be visited personally.

Often in a campaign there will be hundreds of volunteers involved. Although this sometimes sounds like a daunting task to staff and identify volunteer leadership, it can be accomplished easily by following a simple step-by-step process:

- Establish the campaign divisions, based on the potential donors of the organization and the scale of gifts.
- Determine the number of prospects in each division.
- Determine the number of volunteers needed to accomplish these solicitations (number of prospects divided by 5).
- Recruit the chair and vice chair of each division.
- Determine if team leaders are needed and assist chairs to recruit them.
- Have team leaders recruit volunteers.

Once all volunteers are recruited for each division, they will need to be trained in techniques of making the "ask." Even volunteers who have a lot of campaign experience will need to attend strategy sessions and help develop the appropriate strategies to solicit prospects.

The campaign cabinet needs to meet regularly: monthly, bimonthly or quarterly depending on the size and scope of the campaign. Divisions should meet individually between meetings. It will be very important to have regularly scheduled meetings in order for the divisions to report on progress, discuss developments within the organization and the project, and inspire and motivate volunteers. Regular communications between meetings will be important as well. Staff and campaign leadership should be in communication by phone and/or email in order to assess progress and assure that committees are following the strategies for keeping the campaign on track. It is important for volunteers to celebrate successes in the campaign, both small and large. And, of course, at the end of the campaign, there should be a volunteer celebration event.

Identifying and Cultivating Donors

As mentioned in the first article in this series, one of the key ingredients of a successful capital campaign is having a pool of donors to solicit.

For many organizations, this is fairly easy—perhaps they have a solid base of steady donors, an alumni, or list of grateful recipients of services.

For others, this task may be more challenging because they have no donor history or built in pool of donors. However, every organization has people with a vested interest in their success. The trick is determining who they are, their ability to make a gift, and their level of commitment to the organization.

One mistake a lot of organizations make is that they think they need to go out and find a whole new group of donors for their capital campaign because they don't want to ask their loyal donors once again. Or, sometimes organizations think they can raise all the money they need for their capital project through grants.

While grants will usually play an significant role in the campaign process, it is important to remember that over 80% of all contributions to charitable organizations come from individuals.

Another principle of fundraising that is important to remember is that the most likely donors to the capital campaign will be those who are already supporting the organization.

The first place to start is with the "family" of the organization—board, staff and others close to the organization. It will be crucial to have 100% board commitment before asking others to support the project. A staff appeal should also be held early in the campaign in order to show the public that the family of the organization has given its full support to the campaign.

If the organization has an annual giving history, the first place to start is by searching its donor records. Using a good donor software system will facilitate this task. First run a list of the top 10% of the organization's donors. These are good prospects for lead gifts. Another key is to search the records for loyal donors, those who have given consistently to the organization, even if not at significant levels. Often these donors have never been asked to give at a higher level, or have not been aware of the bigger vision of the organization.

Many organizations have "alumni," groups of people who have received services from them or have given service to the organization. Those who have given blood, adopted animals, hold a library card, etc. are likely donors when the organization they are connected with launches a capital campaign.
Volunteers are another good source for campaign donations. Many organizations hesitate to ask their volunteers for money, knowing they are giving their time. However, remember that a person's time is often more precious to them than their money, and if they are giving their time, they are likely to want to support the organization financially as well.

Vendors of the organization are another likely pool of prospective donors. If the organization cannot identify a pool of obvious prospects, the campaign cabinet and board of directors should be called upon to help identify prospects that, after some cultivation, might be prospective donors.

Once a pool of prospective donors has been identified, the campaign leadership needs to determine each prospect's readiness to be asked for a gift.

If it is determined that the prospect is not familiar enough or enthused enough about the organization's mission, the campaign cabinet will need to plan an appropriate cultivation strategy for each prospect. Cultivation can include one-on-one meetings, invitations to tour the organization's facilities or meetings with agency leadership. Group cultivation events may also be used, such as having a board or cabinet member host a small cocktail party in their home, bringing the prospects in for a breakfast or luncheon at the organization, or other such events.

During the cultivation period, donors are not asked to donate, but are provided with information, presented with the case for support and provided with an opportunity to meet those who benefit from the organization’s services. Cultivation may take several months or several years in some cases, depending on the amount of the gift and the level of interest the prospect has in the organization. In some cases the prospect may not be ready to make a gift for this campaign, but cultivation for the future is important even if there is not a significant gift at this time. Patient cultivation for major gifts is better than rushing the prospect into a decision that may result in a smaller gift and a lack of commitment to the organization’s vision for the future.

Making the Ask

The structure is in place for the capital campaign, the case has been written, the volunteers have been recruited and the donor prospects have been identified. All that remains now, is to make the “ask.”

Who makes the "ask," when, how and for how much?

It has been said that the key to a successful gift is having the right person ask the right person, at the right time, in the right way, for the right amount and for the right reason.

First, let’s talk about the right person. Finding the right person to make the "ask" is critical. This is why the prospects are identified and rated in screening sessions with the campaign cabinet and other volunteers.

The key to a major gift lies in three ingredients:

- Linkage
- Ability
- Interest

During the screening and rating sessions, it will be essential to find the best “asker.” While several people within the divisions might know the prospective donor, the division must identify the person with the strong link to the prospect.

The ability of the prospect to give must also be considered in order to make sure the “ask amount” is right. Research into past donor giving history, including the prospect’s history of giving to other organizations and an estimate of the prospect’s assets, will help determine the ask amount. Staff can do some of this research formally; however, a lot of information can be gathered during the screening and rating sessions.

The interest of the prospect should also be considered, particularly when the individual is a major donor prospect. Is there a named gift opportunity that fits this prospect’s interest? Timing is also important and during the screening process it should be determined whether the prospect is ready to be solicited or if more cultivation is needed before making the “ask.”

The volunteers who will be directly involved in soliciting donors will need to be trained in how best to make the “ask.” Staff, volunteers or a consultant can do training.

In most cases, it is wise to bring in a consultant to train volunteers. The consultant should be skilled at helping volunteers develop an approach that uses their own unique style to present the case. Role-playing is often used during this training and the trainer must be skilled in facilitating this role-playing.

Some of the key points to be covered with volunteers during the training sessions are:

- Solicitors must make their own gift first.
- Knowing the case and being able to talk passionately about it is critical.
- Team solicitations are generally the best approach for major gifts.
- The team needs to rehearse their approach beforehand, including determining who will make the “ask.”
- Getting the appointment is sometimes the hardest part of the call, so the person who has the best contact with the prospect should schedule the appointment.
- When scheduling an appointment with a couple, make sure both are available for the meeting.
- After a brief period of small talk, the solicitation team should present the case, using the campaign materials that have been developed, speaking with enthusiasm about the organization and its needs, and telling the prospect about how this project meets their interest.
- The solicitors must be prepared to demonstrate their own commitment to the campaign.

- When it is determined that the time is right, one of the solicitors will make the ‘ask.’
- Always ask for a specific amount, the amount that has been determined in advance of the call.
- The way the “ask” is phrased is important—use words like investment, joining us in this vision, rather than asking for a donation.
- Once the “ask” is made, the solicitors should remain silent and wait for the prospect to react.
- The solicitors should be prepared to answer any questions they prospect has, or be willing to get the answers to those questions.
- If the donor says no, the solicitors should probe for the reasons. Is it “no, not that amount,” “no, not now,” or “no, not for that project.”
- Solicitors should not leave a pledge card or letter of intent with for the prospect to return by mail, since this usually results in a lower gift or no gift at all. Rather, they should make an appointment to make a second visit to the prospect to collect a signed pledge form.
- Follow up is vital to success. A thank you note should be sent, along with any additional information the prospect has asked for.

Volunteers calling on businesses should be given as much information about the business’ relationship with the organization, if there is one. Business people also will be less likely to have an extended conversation about the organization, but will be interested in basic facts about the benefit to the community of this project.

In some cases, volunteers will also be used to make a follow up presentations to foundations to which the organization has submitted a formal proposal. If calls are made to foundations, the volunteers should be aware of the foundation’s areas of interest and guidelines for making grants. Strategy sessions in preparation for foundation calls are as important as they are for individual calls.

Some campaigns will also include a phone-a-thon to selected prospects such as alumni. Volunteers for telephone fundraising also need training in how to best make the “ask” over the phone. Training should be provided the day of the phone-a-thon and should include all volunteers who will be on the phones.

Key elements of making the “ask” by phone are:

- A pre-call letter should always be sent.
- Letters should be signed by a volunteer rather than a staff person.
- Prospects for phon-a-thons should be people who have a relationship with the organization.
- A script should be prepared; however, volunteers should be trained to speak from the heart in a natural tone, rather than reading the script word for word.
- Callers should confirm that the prospect has received the pre-call letter and ask if they have any questions.
- As with major donor fundraising, the caller should always ask for a specific amount and not be too ready to accept a lower amount, but should offer the donor various options such as multi-year pledges, matching gifts, group gifts, etc.
- Always thank the prospect, whether a gift is made or not.
- Be sure to send a follow up letter to those who have pledged, those who are considering a pledge, and those who said no, not right now, but may consider gift in the future.

Campaign Events and PR

While a capital campaign should not depend on events to raise the needed money for the project, events are an important step in the campaign process. Volunteers and donors need to be cultivated, inspired and recognized throughout the campaign. Typical campaign events include:

- Cultivation breakfasts, luncheons, dinner, cocktail parties
- Kickoff event;
- Groundbreaking event; and,
- Dedication and open house.

As discussed in an earlier article, donors need information before they make a decision to support a campaign. Often this cultivation will be one-on-one and will be handled through the solicitation committees. However, sometimes it makes sense to hold a series of cultivation events designed to attract in small groups, usually with a common interest, to provide information about the capital project.

An example would be a series of "cottage meetings" hosted by a volunteer and/or donors. These cottage are usually held in the volunteer/donor's home, with orchestrated information sessions so the potential donors can learn more about the need for the capital project.

Another option would be to have volunteers or donors invite friends, co-workers, and others to for a luncheon at the organization's facility. In this case, the Executive Director and Campaign Chair can provide the information about the need for the capital project.

Usually at these events, various media will be used to tell the story—posters with architectural drawings, a PowerPoint presentation, information packets, perhaps even a live preview of the campaign website or a video presentation.

Generally, the key event in a campaign is the kickoff event. The focus of the kickoff event is to not only announce the launch of the campaign, but to recognize donors who have already given and inspire others to give to the campaign.

Kickoff events can range from a formal black tie dinner to a series of luncheons held in different geographic locations. Regardless of the venue, it is important to remember that the kickoff event should not happen until about 60% of the goal has been raised. Announcing a campaign prematurely can be the "kiss of death" for the campaign.

Why?

Because donors sometimes feel the campaign is not going well and will not achieve its financial goal, if that goal seems too distant. On the other hand if the goal is too close to being reached, donors will think the organization does not need their pledge since success is imminent. Schedule the kick off event early on in the campaign planning process, but revisit it often to make sure the campaign is on track with pledges and gifts.

The kickoff event should be included in the campaign budget, as traditionally there is no charge for attending this event. The concept is to get as many key donors to attend the event as possible. Donors who have already made a contribution should be recognized at the kickoff event. This helps to establish the pace for future donors to get involved.

A poster with all the donor names, listings in the kick off event program, or even, unveiling the donor recognition plaque with the lead donor's names already engraved can be inspiring to those who have not yet made their pledge.

A donor who has already made a significant gift might be asked to talk about why he/she has participated in this project. A testimonial by someone who has received services from the organization is also an inspiring way to motivate donors.

The groundbreaking is another opportunity to celebrate the campaign. For some organizations, ground isn't broken until the campaign has been completed, in which case the groundbreaking and victory celebration can be one in the same. For other organizations, groundbreaking is started during the campaign and then the dedication and open house become the victory celebration.

The timing of the project and the events should be carefully coordinated in the overall campaign calendar. An Event Committee is responsible for coordinating all the campaign events.

Whatever type of event you host, it should always be upbeat and inspirational.

Public Relations

The campaign's public relations committee (PR Committee) is responsible for:

- campaign theme and logo;
- campaign printed materials including brochures, letterhead and envelopes, response envelopes, letters of intent, fact sheets and question and answer sheets;
- campaign video and/or Power Point presentation;
- press releases;
- campaign website, which may include a webcam tracking construction progress;
- press conferences;
- campaign speeches; and,
- promotional items.

The PR Committee usually works with the consultant to design the theme and logo. The brochures and other campaign materials are developed based on the case for support. These items need to be ready early in the campaign so the various committees can use them in their work.

Like campaign events, it is important not to release information about the campaign too early. Often pre-campaign publicity is planned to focus on the organization's programs and services without mentioning the actual campaign. This pre-campaign publicity simply promotes awareness of the organization in the community, so once the campaign is formally launched there is a groundswell of public interest and support.

Case Study:

Victoria General Hospital

Facing competition from numerous concurrently running non-profit capital campaigns, Victoria General Hospital needed a leading-edge communications and donor recognition solution that would give them the winning edge.

The Callenge:

The Victoria General Hospital Foundation (VGHF) embarked upon an $11 million capital campaign to raise funds for a new Oncology Center and Intensive Care Unit, as well as an expanded SurgiCenter and Emergency Department. The

The Solution:

The VGHF implemented Tribute, a digital visual messaging and recognition system.

The system features a Fujitsu 42-inch plasma display, situated in the hospital's entrance lobby, a physically small but high-traffic area that is the major point of contact for the hospital's 40,000 patients annually, as well as for visitors and staff.

The Tribute plasma display presentation includes a multimedia overview of the capital campaign, an animated campaign meter, a scrolling list of donors by category, a special events calendar, as well as challenge was to create top-of-mind awareness for their campaign from among the hundreds of people who pass through their front doors every day.

The VGHF also needed to attract more contributors, effectively recognize existing donors, volunteers and corporate sponsors, and keep their current contributors informed as to where and how their money will be spent.

featured donor, volunteer and staff recognition modules. All modules have a set area on the display, each rotating throughout the day, based on parameters that are entered using the Tribute web-based Content Management software.

"Tribute is an innovative communications solution that fills an immediate need for us," says Trevor Finch, Director of Communications for the VGHF. "It brings together the best in technology, communications and recognition in a cost-efficient system. It is a very good way to get valuable and timely information out".

For further information go to the **PlannedLegacy website** (http://www.plannedlegacy.com).

Recognition and Stewardship

It has been said that "good stewardship" is the last step in the first gift - and the first step in the next gift. Stewardship includes ensuring that the donor's best interest are always the primary consideration, conforming to all applicable laws, making certain that all fundraising is done with the highest ethical standards, and developing proper systems of acknowledgment and recognition for the donor.

Donors should never be persuaded to contribute to a cause they don't fully support, or to make a gift that may not be in their own best interest. The Association of Fundraising Professionals (AFP) provides a code of ethical standards and principles of professional practice that serves as a guide for its members and can provide a solid ethical basis for all fundraisers. This code may be found on AFP's website at www.afpnet.org.

In addition to this code, there are numerous other professional organizations that have similar codes of ethics. A common thread that runs throughout each of these codes is that fundraisers, either staff or consultants, should never work on a percentage based fee, that fundraisers must be open and honest about the organizations and its mission, and that fundraisers will always conform to legal requirement regarding the solicitations, recording, use and acknowledgement of gifts.

To compliment the code of ethics, there is also a Donor Bill of Rights (also available of AFP's website). The Donor Bill of Rights informs the donors of their entitlements when making a gift to a nonprofit. For example, donors have the right to know who is on the governing board of the organization, whether the person soliciting them is a professional counsel, paid staff or a volunteer, and the right to remain anonymous in their giving. Organizations and fundraisers should embrace the Donor Bill of Rights and adhere to its principles.

Other important aspects of all fundraising that must be considered during a campaign are the legal requirements of the IRS and other regulatory agencies, such as state and local municipalities that may govern fundraising activities. For example, most states regulate fundraising activities by requiring nonprofit organizations, fundraising counsel and professional solicitors to be registered with them before conducting fundraising campaigns. The organization should be aware of their own state's requirements as well as other states in which they may plan to solicit donations.

Be sure, before engaging a paid consultant or professional solicitor, that they are registered with the state (if they are required to do so). IRS requirements in regard to "qui pro quo" contributions, fair market value of considerations given to donors, and statements for donations over $250 must be followed in the recording and acknowledgment of gifts. For information on state requirements, contact your department of state. The organization's accounting firm can give advice and counsel regarding IRS regulations

(The following is not meant to provide legal or accounting advice, please contact appropriate counsel for this advice.)

Acknowledgment of donors' gifts should always be done promptly. Sending a thank you letter within 24 hours of receiving their gift is recommended. All donors should be acknowledged with a personal letter of thanks, regardless of the size of their gift. It is said that a donor should be thanked seven times for a gift before asking for the next gift. While the organization would not want to send seven thanks you letters, there are other ways to thanks the donor. A personal phone call from the volunteer who solicited the gift, a handwritten note from the Executive Director or Chair of the Board, a phone call from a program recipient--all can do wonders to bond the donor to the organization. And of course the formal receipt with the IRS statement stating that no goods or services were received in consideration of this donation can be considered another form of thanking the donor.

Recognition is another facet of thanking the donor for their gift. Recognition can come in many forms. Listing donors in the organization's newsletter and/or annual report, issuing a press release about a major gift, donor walls, bricks, and personal mementos given to the donors are all ways of providing donor recognition. Special recognition events at which donors are publicly recognized for their contributions can *also be effective. Remember, however, that some donors wish to remain anonymous and their anonymity must always be ensured. Providing a place on the pledge card or letter of intent for donors to print their name exactly the way they wish to be recognized, and a box where they can check if they want to remain anonymous are simple ways of ensuring that donor reocngition will be done according to the donor's wishes. A good software system (discussed in an earlier article) will also provide the means to track this information when it is time to prepare the recongtion items. Of course, these pledge forms and software systems must be in place at the start of the campaign, so recognition must be considered before the campaign begins and be a part of the campaign plan, not decided at the end of the campaign when it is time to recognize donors.*

Besides adhering to legal and ethical standards, the organization benefits from good stewardship in other ways as well. Professional staff will feel more confident knowing they are acting according to the highest professional standards, and donors feel more confident knowing the organizations they support are following good stewardship practices. Many an organization has been the beneficiary of a huge estate because they provided good stewardship of the donor's smaller gifts.

Case Study:

Glens Falls Hospital

Glens Falls Hospital needed a leading-edge communications and donor recognition solution that would effectively create awareness for a capital campaign designed to fund the largest modernization project in its 106-year-old history.

The Callenge:

Glens Falls Hospital implemented their "Building a New Glens Falls Hospital" $12 million capital campaign to raise funds for a project that includes a striking new six-story building, a Cardiac-Vascular Center, an Inpatient Oncology Unit, two 41-bed Inpatient Care units, a Critical Care Unit combining Intensive Care and Coronary Care in one location, and a consolidated Surgical Recovery Center for patients recovering from inpatient surgery and day surgery.

The challenge was to create top-of-mind awareness for their capital campaign and the facilities and services it intends to fund, among the hundreds of staff, patients and visitors who pass through the front doors of Glens Falls Hospital every day.

Glens Falls Hospital also wanted to effectively describe why the new expenditures were critical to the delivery of quality healthcare in the Glens Falls and Warren County region; provide information about the progress of the construction; acknowledge donors, corporations, staff and volunteers who had made significant contributions; provide a visually appealing record of the capital campaign's progress; and encourage others to

The Solution:

Glens Falls Hospital implemented Tribute, a digital visual messaging and recognition system. The system includes an NEC 42-inch plasma display which is situated in the hospital's lobby, a high-traffic area that is the major point of contact for the hospital's patients, visitors and staff.

The Tribute plasma display presentation includes an eye-catching multimedia overview of the capital campaign, an animated campaign progress meter, a scrolling list of donors by category, and a special events calendar, as well as featured major donor and volunteer modules, all of which can be easily maintained using PlannedLegacy web based Content Management system.

Additionally, the presentation includes a series of eight videos which run sequentially, featuring the history of Glens Falls Hospital, an overview of the capital campaign, interviews with staff, volunteers and donors, and interesting tours of the various Centers of Excellence at the hospital.

contribute.	

For further information go to the **PlannedLegacy website** (http://www.plannedlegacy.com).

Life After the Campaign

The campaign is over and generally the first thing staff is ready to do is to kick back and relax after the final campaign celebration. A well-deserved vacation, or at least a few days off is probably a good idea. However, before the glow of a successful campaign fades, the organization should think about how it can "capitalize" on its success to build a stronger development program and stronger organization for the future.

One of the major benefits of a successful campaign is that it leaves the organization much stronger than it was prior to the campaign. The reasons for this are several:

- The campaign starts with an internal assessment and from that assessment will come recommendations to strengthen the infrastructure of the organization.
- The increased pubic relations efforts during a campaign will result in a heightened awareness of the organization in the community.
- The involvement of volunteers in the campaign will provide future volunteer fundraisers for the organization's ongoing development efforts.
- Staff will benefit from working with a consultant and will gain knowledge and experience that will be an asset to them and the organization.

Soon after the end of a campaign, there should be a debriefing with the board, staff and campaign volunteers to discuss what went right, what went wrong, what should be done differently next time, and how to build on this success to enhance the organization's development program.

The database system developed for the campaign must be maintained on an ongoing basis, and pledge reminders need to be sent out to ensure a good collection rate on pledges. Donor pledges should be tracked and when the pledge is paid off, it may be time to invite the donor to increase their annual giving. This may even be done while pledges are being fulfilled. Some organizations fear asking donors for additional funds, but once a donor has supported a major project, their level of interest in the organization as well as their level of commitment is generally increased dramatically, and they are more likely to support the organization on an ongoing basis.

Staying in touch with donors on a regular basis, keeping them updated on the progress of the campaign and the project are important. Inviting all donors to the dedication and open house when the new facility is completed are steps that sometimes get overlooked. But remember, the key to successful fundraising is relationships, relationships, relationships; so, in order to build these good relationships the organization needs to maintain good donor communications.

Like donors, campaign volunteers will have developed more awareness and commitment to the organization. Keeping campaign volunteers involved in the organization's ongoing development efforts can be a real boost to fundraising efforts. Volunteers can help in the annual fund drive, major gifts programs, and planned giving campaigns, especially those who have been involved in making personal solicitations. They will have the training to be effective fundraisers because of their involvement in the campaign. Some of these volunteers might also be invited to serve on the board or the development committee.

The board's role in the campaign may have been the first exposure they have had to the importance of their own giving. This commitment should be built upon in future annual appeals, by starting every year's fundraising program with an annual board appeal. through their involvement in the campaign, board members, like volunteers, will have more experience and knowledge about fundraising so they can now be invited to get more involved in the organization's ongoing development efforts.

The increased public awareness of the organization during the campaign can help it tremendously. Media contacts made during the campaign should continue to be cultivated for their ongoing support of the organization. Getting stories in the newspaper about the increased services the organization is able to provide because of the successful campaign will help in future fundraising efforts.

One of the biggest fears of organizations ending a campaign is that they now have knowledgeable staff that has been through the campaign process, developed close relationships with donors, and learned from their work with consultants. How do they keep those staff people in the organization? Providing opportunities for continued growth are important for staff. Allowing them to expand into new roles within the organization, recognizing them for their efforts during the campaign, and publicly acknowledging their work can all be benefits that can keep staff committed to the organization.

For organizations where there was not a development department in place before the campaign, staff may have been moved from other departments to work on the campaign. If the organization has not had a development office before, this may be the time to consider having those staff serve in development roles permanently. Or if new staff has been hired for the campaign, these people may be considered for permanent employment in the organization since they now have a commitment to the organization and valuable experience.

For some organizations a capital campaign may be a once in a lifetime occurrence. For others they will be ready for another campaign within a few years after the current one ends. Regardless of which situation your organization is in, don't miss out on the opportunity to build a stronger organization after the campaign ends.

Case Study:

The Jewish Foundation of Manitoba

The Jewish Foundation of Manitoba searched for effective method of increasing the JFM's profile in the community while expanding the JFM's donor base, and increasing the size and frequency of major gifts and endowments.

The Callenge:

David Cohen was appointed Executive Director of the Jewish Foundation of Manitoba (JFM) in 1991. Coming to the JFM from a 30-year career as an investment advisor, Cohen was astonished to discover that the JFM did no marketing, nor any advertising, and did not practice any active donor solicitation. The Foundation had accumulated $10 million in assets solely through random acts of generosity.

The JFM serves a community of 15,000 Jews in Manitoba. Through research, Cohen established that his target market comprised some 5000 family units, of which approximately 500 had some commitment capacity. Out of that number, perhaps 200 families had a strong discernable attitude to charity.

David Cohen began to search for effective methods of increasing the JFM's profile in the community, expanding the JFM's donor base, and increasing

The Solution:

The solution was PlannedLegacy. PlannedLegacy offered a unique and stylish interactive kiosk that could be used to provide continuous, public access to all Book of Life entries.

The PlannedLegacy interactive kiosk provided the opportunity for participants to evolve their short biographical paragraphs to full family stories and tributes complete with multimedia elements. Bridging technology and tradition the PlannedLegacy Solution overcame geographical and generational boundaries by also placing the donor stories and JFM marketing information onto the Internet through JFM's existing Web Site.

The final aspect of the concept to be refined was the Signing Ceremony. The Signing Ceremony is a tribute event where Book of Life participants are recognized, in the company of family and friends, for their commitment to the JFM. During the Signing Ceremony participants are presented with beautiful plaques containing a printed version of their life story. By adding an entertainment segment open to the public, the Signing Ceremony has also been an excellent method of establishing community awareness of the foundation's initiatives.

The results have been spectacular. By 2001 there were 225 Signers in the Jewish Foundation of the size and frequency of major gifts and endowments. At a 1993 fund raising trade show Cohen encountered a successful fund-raising program entitled the Book of Life.

Used by the Jewish Community Foundation of Southern Arizona in Tucson, donors participating in the Book of Life program would enter their names along with a very short paragraph about themselves. Cohen saw great value in developing donor relationships but he still had to communicate to his Board members that the Book of Life had application for the JFM. The JFM Board of Directors was initially skeptical; however, Cohen convinced them of the program's potential, and it was implemented in 1997.

Cohen theorized that placing the Book of Life in a highly trafficked area would encourage people to browse through the Book, read the paragraphs about each donor, talk about them and then be motivated to become Signers themselves. The goal was to maximize his foundation's exposure while simultaneously developing new and existing donor relationships. Once in place however, viewing the Book of Life revealed a dilemma: - making the Book accessible to all was inviting its deterioration and eventual destruction.

Manitoba's PlannedLegacy Endowment Book of Life. In 2002, another 55 Signers will add their stories, and make their commitment to the JFM. The JFM has already received $1,500,000 in legacy gifts and $500,000 in cash gifts from only 10 of those 225 Signers. Based on a very conservative presumed average gift of $10,000, the JFM has a minimum of $2,800,000 in potential gifts. Their actual experience suggests that number will be much higher. What is the ROI for the PlannedLegacy Endowment Book of Life Program? Conservatively calculated – 40 to 50 times the initial investment!

For further information go to the **PlannedLegacy website** (http://www.plannedlegacy.com).