

Conquer a Capital Campaign

Participant Workbook

Mission

THE MISSION OF THE GILL FOUNDATION
is to secure equal opportunity for all people,
regardless of sexual orientation or gender identity.

The mission is accomplished by:

- Providing grants to nonprofit organizations
- Strengthening the leadership and managerial skills of nonprofit leaders
- Increasing financial resources to nonprofit organizations
- Strengthening democratic institutions
- Building awareness of the contributions people of diverse sexual orientations and gender identities make to American society



Conquer a Capital Campaign

Workshop: Conquer a Capital Campaign

Time: 3 hours

Description: This workshop provides an overview of the phases necessary to conduct a capital campaign. Participants will take a readiness survey, and practice writing a case statement for their campaigns. In addition, participants will have the opportunity to practice solicitation skills.

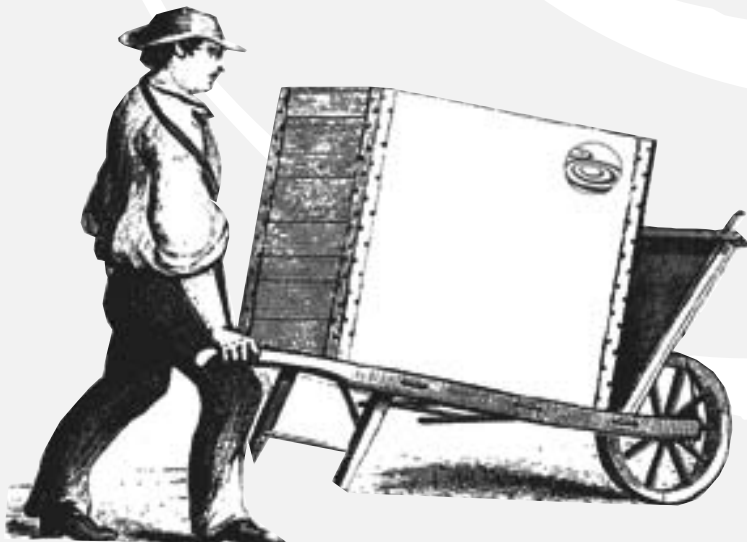
Learning Objectives: At the conclusion of this training session, participants will:

- 1.1 Understand what a capital campaign is
- 1.2 Identify the four rules that capital campaigns must follow
- 1.3 Identify at least three pros and three cons for conducting a capital campaign

- 2.1 Identify the four phases of a capital campaign

- 3.1 Identify the purpose and elements of a feasibility study
- 3.2 Set a goal or price tag for the campaign
- 3.3 Practice writing a mission statement vs. a case statement for the campaign
- 3.4 Create a gift range chart

- 4.1 Identify the characteristics of effective campaign leadership
- 4.2 Learn the art of securing leadership for the campaign
- 4.3 Understand the strategies for approaching donors
- 4.4 Understand the steps to successful prospecting



What is a Capital Campaign?



- A capital campaign is an intensive fundraising effort organized to meet a specific financial goal within a specified period for one or more major special projects such as:

1. _____
2. _____
3. _____
4. _____

- It must involve:

- Sound research
- Long-range planning
- Persuasive campaign literature
- Effective organization
- Application of proven procedures
- Careful scheduling and publicity
- An established donor base

- Capital campaigns are not necessarily inclusive.

- Most capital campaigns last two to three years and some go as long as five years.

- Most importantly: donors are asked to give to the capital campaign in addition to their regular annual donations. Remember, during a capital campaign you are not asking donors to give from their INCOMES, but from their ASSETS.

- The important thing is not how much the goal is, but that it represents a crucial step toward meeting the mission of the organization.

Although the objective of your campaign may be to build, adapt, restore, invest, or achieve some tangible goal, the essential underlying reason you conduct a capital campaign is to better serve your community through accomplishment of your mission.

Rules of the Game

➤ **80/20 Rule:**

This rule applies to the fact that 80 percent of the money raised in capital campaigns comes from 20 percent of the donors.

➤ **Sequential Solicitation Rule:**

This rule is simple – gifts are solicited from the LARGEST to the smallest gifts. This is a CARDINAL PRINCIPLE OF CAPITAL CAMPAIGNS - that gifts be sought “from the top down.” The largest gifts in a gift range chart should be sought at the outset of a campaign, followed sequentially by the search for lesser gifts.



- **First = advance gifts**
- **Second = leadership gifts**
- **Third = major gifts**
- **Fourth = special gifts**
- **Fifth = general gifts**

➤ **50/70 Percent Rule:**

This relates to the concept that a campaign should NEVER be announced to the public until 50% to 70% of the goal is achieved. Let the gift dollars accumulate before announcing it to the public.

Ciconte, Barbara Kushner & Jacob, Jeanne G. *Fund Raising Basics*. Aspen's Fundraising Series for the 21st. Century, 1998. Gaithersburg, Maryland.

➤ **20-20 Rule:**

The Board contributes 20% of the goal and commits to soliciting the next 20%.

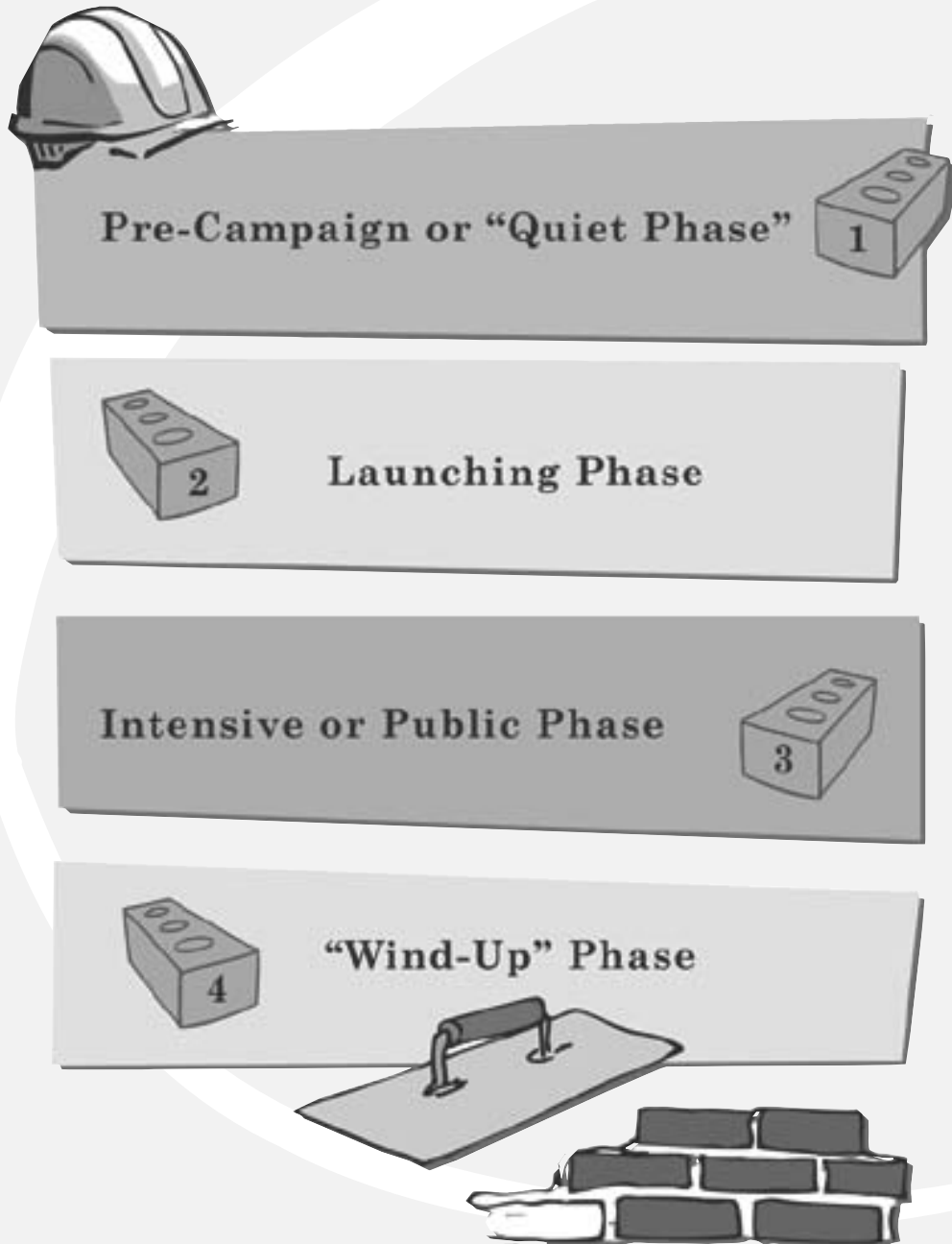
So, You Want to Do a Capital Campaign?

LIST SOME PROS AND CONS OF CONDUCTING A CAPITAL CAMPAIGN

Pros	Cons
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.

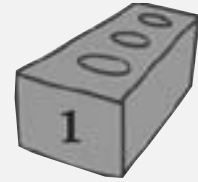
Phases of a Capital Campaign

There are four phases in a capital campaign.




Phase 1: Pre-Campaign or “Quiet Phase”

The pre-campaign phase includes all the tasks of a campaign that take place before the campaign is announced to the public. The success or failure of a capital campaign rests with the decisions made and activities completed in this phase.



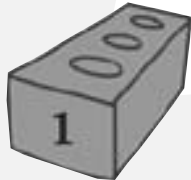
Phase 1 Tasks:

- ⌘ Examine internal readiness and carefully consider and evaluate the organization’s needs. (Includes developing a gift acceptance policy.)
- ⌘ Determine the campaign’s price tag or goal
- ⌘ Obtain commitment from Board, staff, and volunteers
- ⌘ Conduct a feasibility study
- ⌘ Record-keeping
 - ⌘ Who signs the checks?
 - ⌘ Where will the money go?
 - ⌘ Can the administrative staff complete the tasks?
 - ⌘ What kinds of investments will you consider?
(These funds CANNOT cohabitate with annual funds.)
- ⌘ Develop a case statement, campaign prospectus, and solicitation package
- ⌘ Plan for cultivation and acknowledgement, including naming opportunities
- ⌘ Develop a gift range chart
- ⌘ Select proper leadership
- ⌘ Identify a sufficient pool of qualified prospects and secure 30%-50% of total goal from three to five donors

- 
- A lack of any of these elements will have such a negative impact that a campaign, once launched, may never recover.
 - Start with a plan and work the plan.
 - As the plan is being created, leadership gifts should be targeted and cultivated.
 - Secure 30-50% of the total goal from three to five donors. This part of the campaign proceeds SIMULTANEOUSLY as the campaign is being developed.

Phase 1 Task: Internal Readiness Audit

There are two aspects of determining feasibility: organizational readiness and measuring realism regarding donors and dollars. Ask yourself these threshold questions whenever you are considering undertaking a capital campaign:



Do you need money?

Y N

Do you have a convincing case for support, appealing both to the heart and the head?

Y N

Do you have active and highly visible volunteer leaders?

Y N

Do you have enough staff to support a campaign?

Y N

Do you have good access to funding sources?

Y N

Do you have (or can you get) a system in place for recording and acknowledging gifts and pledges?

Y N

What is "the competition" up to?

Y N

It costs money to raise money. Are you willing to make the necessary expenditures?

Y N

Is there a sense of urgency about your needs?

Y N

Does your organization have clear priorities?

Y N

How well have your fundraising efforts worked up until now?

Y N

Do you have a positive image in the community?

Y N

Is your organization well-known in the community?

Y N

How well does your organization work from a business perspective?

Y N

Can you identify five to ten top volunteer leaders?

Y N

Do you have an idea who your chairperson ought to be? Do you think that person will agree to lead?

Y N

Can you identify five to ten top prospective donors?

Y N

Can you identify two to three times the number of donors you will need for each gift category?

Y N

Phase 1 Task: Feasibility Study

In a traditional feasibility study, a consultant interviews individuals, assesses confidential information gathered, and makes recommendations regarding the goals, timing, and design of your campaign.

➤ **The feasibility study should address:**

- § The need for the campaign
- § How its case for fundraising is viewed by leaders and donors
- § The resources available to use in a campaign
- § Whether quality leaders are available
- § The plan, budget, and calendar
- § The perception of the organization in the community
- § Potential sources for major leadership and major gifts and giving levels
- § viability of the financial goal suggested for the campaign

➤ **Those approached should include:**

➤ **A Feasibility Study Should:**

- § **ALWAYS** be done by an outside consultant
- § **ALWAYS** be conducted one-to-one with consultant and interviewees
- § **USUALLY** be done face-to-face
- § **ALWAYS** be confidential
- § **USUALLY** have 30-70 interviews
- § **USUALLY** happen over a 90-day period
Cost: \$10,000 - \$75,000

The feasibility study helps determine whether a campaign can be successful, identifies potential leadership, determines what the gift total (or range) will be, and identifies potential gifts to the campaign.

The following web sites provide guidelines on when to hire consultants, what to expect, and how to choose them.

<http://www.charityvillage.com/charityvillage/research/rfrm3.html>

<http://www.aafrc.org/8STE.htm>

<http://www.ncnb.org/askncnb/faq6.htm>

Phase 1 Task: Set the Price Tag = Budget = Goal

After all the parties have committed and there is general agreement on the need and readiness, and the feasibility study indicates a "yes," a price tag needs to be set.



The following items need to be added to the actual cost of buying or constructing a building or starting an endowment.

Cost of:	This Includes Such Items As:	Fill In Your Actual Cost
1. The Capital Project		
2. Occupancy of New "Digs"		
3. Conducting the Campaign		
4. Operating During the Campaign		
5. Fundraising Materials		
6. Kick-Off Celebration		
7. Office and Staff Extras		
8. Furnishings		
9. Debt service on a bridge loan		
10. Add 15% for those who pledge but decide not to pay		
11. Add additional 5%-10% for safety		

Source: Klein, Kim. *Fundraising for Social Change*. Chardon Press.

Phase 1 Task: Preparing the Case Statement

Once the need is established and the costs are known and provisionally approved by the Board, the next step is to write up a case statement for the campaign.

The Capital Campaign Case Statement:

- Is the benefits-oriented explanation of the campaign.

- Should create the vision of the campaign and explain all the details of the campaign and reasons why the organization is undertaking the project.

- Is separate from the organization's overall case statement, but certainly borrows from it.

- Focuses on the goal of the campaign and shows how this goal will help the organization meet its other goals.

- Should be developed through a cooperative effort of both staff and Board members.

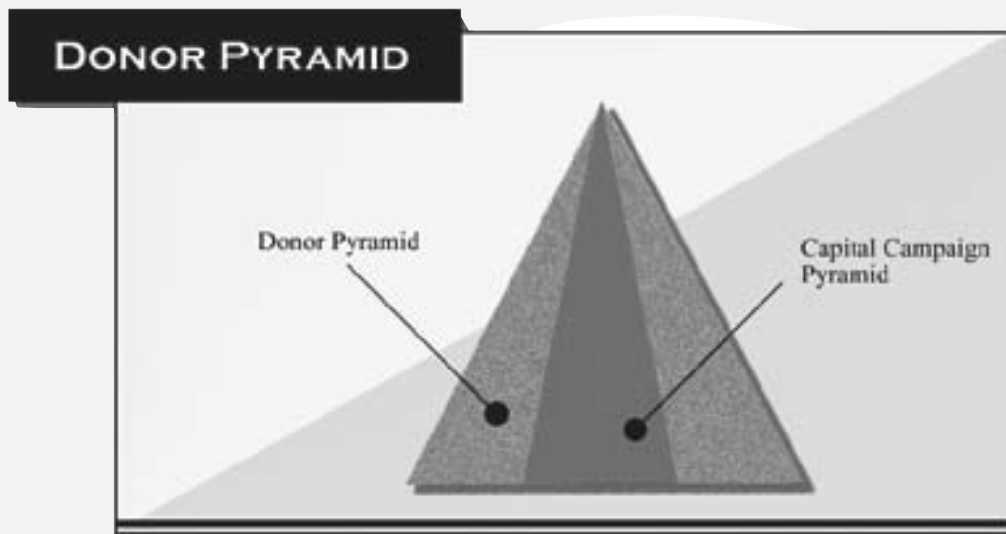
COMPONENTS OF AN ORGANIZATIONAL CASE STATEMENT

Mission:	Why the organization exists <i>Stress the social ill or the enhancements to the quality of life they seek to bring about</i>
Goals:	What you want to accomplish, in broad terms
Objectives:	How it will accomplish goals
History:	What you have done so far
Structure:	Who is in the group and what their roles are
Budget:	What you spend
FR Plan:	How you raise money to exist in the future

Phase 1 Task: The Gift Range Chart

The final page of the case statement is the financial goal displayed as a gift range chart.

- The pyramid that is constructed by a capital campaign gift range chart is much shorter than that of an annual major gifts campaign. Most of the money raised will come from a small number of donors. This is the direct opposite of an annual campaign in which a broad-based appeal is necessary to be successful.

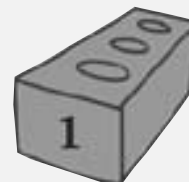


- In a capital campaign, the lead gift equals 15%-20% of the total goal, and 80% of the money comes from about 20% of the donors. The chart follows this pattern:

GIFT RANGE CHART

1 Gift	15% - 20% or more of total goal
2 Gifts	10% each or more
4-5 Gifts	5% each or more

Phase 1 Task: The Gift Range Chart



GIFT RANGE CHART			Goal: \$1,000,000
# Gifts	Gift Size	Cumulative Total	
1	\$150,000	\$150,000	
2	100,000	350,000	
4	50,000	550,000	
8	25,000	750,000	
10	10,000	850,000	
15	5,000	925,000	
20	2,500	975,000	
25	1,000	1,000,000	



- In this example, 50% - 70% of the goal will come from about seven to eight gifts. After these large gifts, increase the number of gifts and decrease the gift size.
- In this example, 85 gifts will be required. In a capital campaign, we assume that four prospects will be needed for every gift. In this example, the group will need to identify 340 (84 x 4) prospects.

All of these people must be asked in person!



Notes:

Practice Creating Your Own Gift Range Chart

1. Select a goal: _____
2. Start with the largest gift you will need. After these large gifts, increase the number of gifts and decrease the gift size until the goal is reached.
3. Include the number of prospects you will need.

GIFT RANGE CHART

Goal: _____

# Gifts	# of Prospects	Gift Size	Cumulative Total

What did I learn from this exercise?

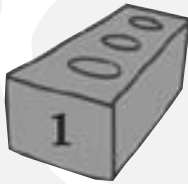
Phase 1 Task: Recruitment of Volunteer Leadership

- A volunteer fundraising committee, or campaign cabinet, must be developed immediately to solicit gifts at the highest levels.
- It is expected that ALL Board members make a “stretch” gift to the campaign.

What qualities should the leadership possess?

Campaign leaders should be:

- § Well respected in the community and have high visibility
- § Committed to the success of the campaign and have knowledge of the organization
- § Able to make a leadership gift
- § Willing to allow his/her name to be used in recruiting and soliciting donors
- § Willing to open doors to other potential leaders and donors. (Having the right person ask is almost always THE critical part of the campaign process.)
- § Willing to do solicitations



Phase 1 Task: Securing Lead Gifts

The last step in Phase One or the “quiet phase” is to identify a qualified pool of prospects and secure the lead gifts.

You probably have noticed that people announce capital campaigns by saying, “We are proud to launch our \$2 million campaign today, and are pleased to report that we already have \$1.4 million pledged.” Do you wonder how could they have raised all that money in just one day? Of course that money was not raised in a day, in fact, it may have been raised over a period of months or years. This all occurred during the “quiet phase.”

Points to Ponder:

➤ ALL Board members should make a “stretch” gift to the campaign.

➤ The goal of the pre-campaign is to get 30% - 50% of the campaign’s total from the top three to five donors.

➤ Don’t start without lead gifts. It is disastrous because the momentum lags.

➤ An organization does not need to know all of its prospects ahead of time, but it **MUST** know the ones capable of making the lead gifts.

Who Can I Approach as a Campaign Leader?

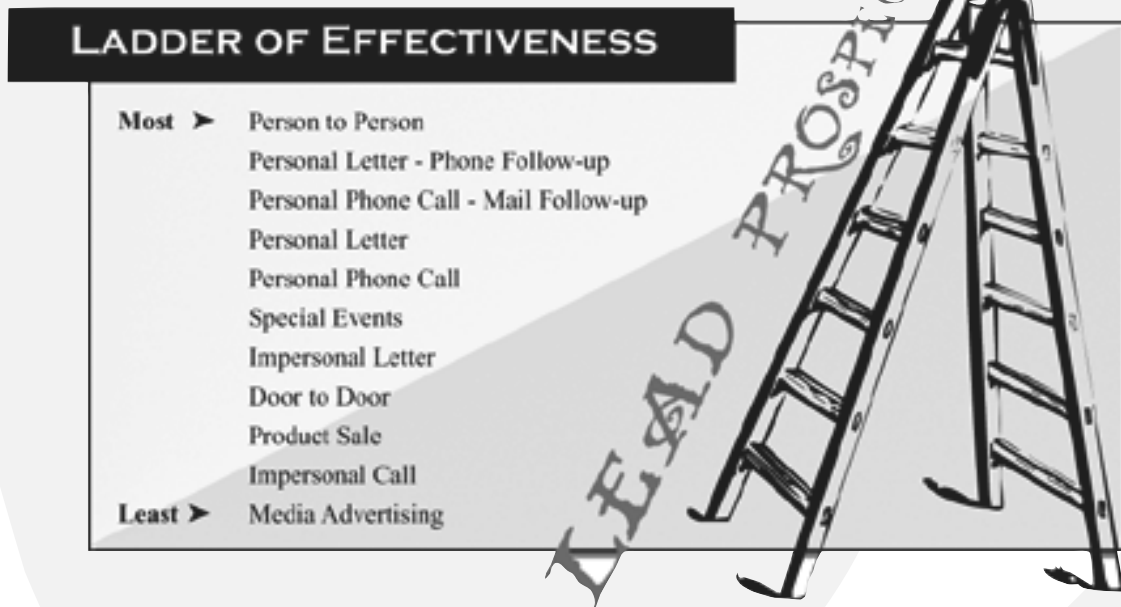
1. _____
2. _____
3. _____

Phase 1 Task: Approach Lead Prospects

- The process of approaching lead prospects is the same as approaching any major donor.



- This graphic depicts the most to least effective means of approaching donors.



- Teams of two, usually a volunteer and a staff member or two Board members, should solicit these gifts.

- Once donors have agreed to a gift, they should be asked if they would be willing to help solicit others.

Phase 1 Task: Steps to Successful Prospecting



You are ready to move to the “launching phase” if:

- § Leaders of the campaign are recruited and trained
- § The case statement is defined
- § Publications are produced
- § Leadership gifts are obtained
- § Gift decisions are made by the top 100 prospects
- § All Board members make their gifts
- § 50% to 70% of the goal is obtained
- § Recognition letters are established



No short cuts should be taken to rush to the public phase. It is imperative to complete all of the steps in Phase 1.

Phase 2: The “Launch”

The capital campaign is publicly announced.

Points to Ponder:

- The launch should be marked with a special event.



- This should be well-organized since it is the first impression prospects will have of your campaign.

- **The Prospectus**

You will need to design a document called the “prospectus,” which is a special brochure, booklet, or folder using information from the case statement, but is shorter and more artistic. The prospectus will be given to all prospects and must look professional. This document shows the prospect that you know what you are doing and that your group can handle these large amounts and manage a large capital project.

- **Contents of the Prospectus**

- § Mission
- § Vision
- § History
- § Goals & Objectives
- § Programs & Services
- § Staffing
- § Governance
- § Facilities
- § Endowment
- § Finances
- § Statement of Need
- § Evaluation Methods
- § Gift Range Chart
- § Recognition Levels

Phase 2: The “Launch”

For the launch, you will need these other campaign materials:

CAMPAIGN MATERIALS

- ←→ Campaign Prospectus
- ←→ Brochures
- ←→ Videos
- ←→ Fact Sheets
- ←→ Pledge Cards/Letters of Intent
- ←→ Stationary & Envelopes
- ←→ Volunteer Packets
- ←→ Speeches
- ←→ Media Kits



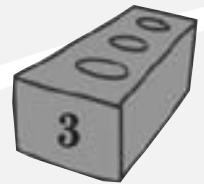
What materials do my organization still need to produce?

1. _____
2. _____
3. _____
4. _____
5. _____

Notes:

Phase 3: Intensive or Public Phase

This phase is the central phase of the campaign and focuses on the actual solicitation of donors.



TIPS FOR THE “ASK”

In every phase, peer solicitation works best

People respond best when asked by a peer to help a project. Who asks is extremely important.

Solicit in pairs

If one solicitor forgets an important part of the process, the second person can jump in.

Personal visits

Never solicit over the phone. If it is important enough to ask, it is important enough to visit in person. Solicitations over the phone discredit the process.

Appointment in quiet place

Let the prospect decide where to meet. Avoid restaurants. The best place may be your office, so you can provide a personal tour.

Ask for a specific gift

Nothing is worse for your campaign than asking for support, but not being specific. Let the prospect know what you would like them to consider, why you are asking for that amount, and how that gift would fit into the overall campaign.

Source: Capital Quest, Inc., 1997-1999. <http://www.capitalcampaigns.com>

Phase 3: Intensive or Public Phase

List the different opportunities for donor participation:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____

Points to Ponder:



- Good record-keeping and keeping in touch with volunteer solicitors is critical during this and ALL phases of a capital campaign.

- The system for collecting pledges must be in place. Solicitors must be notified of new gifts and must meet regularly to report on their progress.

Face-to-Face “Ask” Exercise

After practicing a personal solicitation, ask yourself these questions:

1. What was it like to be the “asker?”

2. Which parts went well and which parts didn't go well?

3. What could you improve if you had more time to prepare?

Phase 4: The “Wind-Up” or Post Campaign

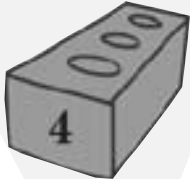
- Look for one or two people who can put the goal over the top.

Use these three strategies:

- **Penguin:**

- **Challenge:**

- **Top-Off:**



STRATEGIES FOR THE ASK

- ↔ Penguin
- ↔ Challenge
- ↔ Top-Off



- This wind-up stage is also a good time to ask for a lot of small gifts, because at this stage, gifts of \$1,000 clearly help move the group toward its goal.

- The end of the “wind-up” phase is a large celebratory special event.

- Remember, there are still a few things to do to make sure all pledges are realized:

1. _____
2. _____
3. _____
4. _____

Seven Deadly Sins

A capital campaign is a very time-consuming and detailed project. Only organizations with a strong working Board, a loyal donor base, and a well-designed major gifts program should undertake such a campaign. To ensure that you are successful, avoid the seven deadly sins of capital campaigns.

7 DEADLY SINS



- X Board not committed or thoroughly involved
- X Not scheduling a *feasibility* study
- X Failure to involve community leaders
- X Failure to devote sufficient time to preparation and organization
- X Failure to recognize the greater gifts of patient cultivation
- X Failure to retain a consultant
- X Failure to take advantage of annual giving programs to broaden donor base

Notes:

Notes



Notes



Notes



References

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