

Week Eight: Fundraising

- Major Gift Campaigns
- Capital Campaigns
- Planned Gift Campaigns
- Assignment Two



Campaigns

- Major Gifts Campaigns
- Capital Campaigns
- Planned Gift Campaigns
 - Differences in size of gifts, types of projects funded, type of donor involved and development tactics used

What is a Major Gifts Campaign?

An intensive, organized fundraising effort to secure philanthropic gifts for specific program needs or projects, executed within a specific time period, usually for one year or more where the goal is of a significant monetary amount.

What is a Capital Campaign?

An intensive, organized fundraising effort to secure philanthropic gifts for specific **capital** needs or projects, executed within a specific time period, usually for one year or more where the goal is for a significant, monetary amount.

Capital = Durable, tangible asset; i.e. building or equipment

Capital Campaign Characteristics

- Intensive, special appeal
- Meets an extraordinary need
- Capital: building new facilities, renovations, equipment
- Relatively low cost for fundraising administration
- Specific, “stretch” financial goal
- Focus on major donors

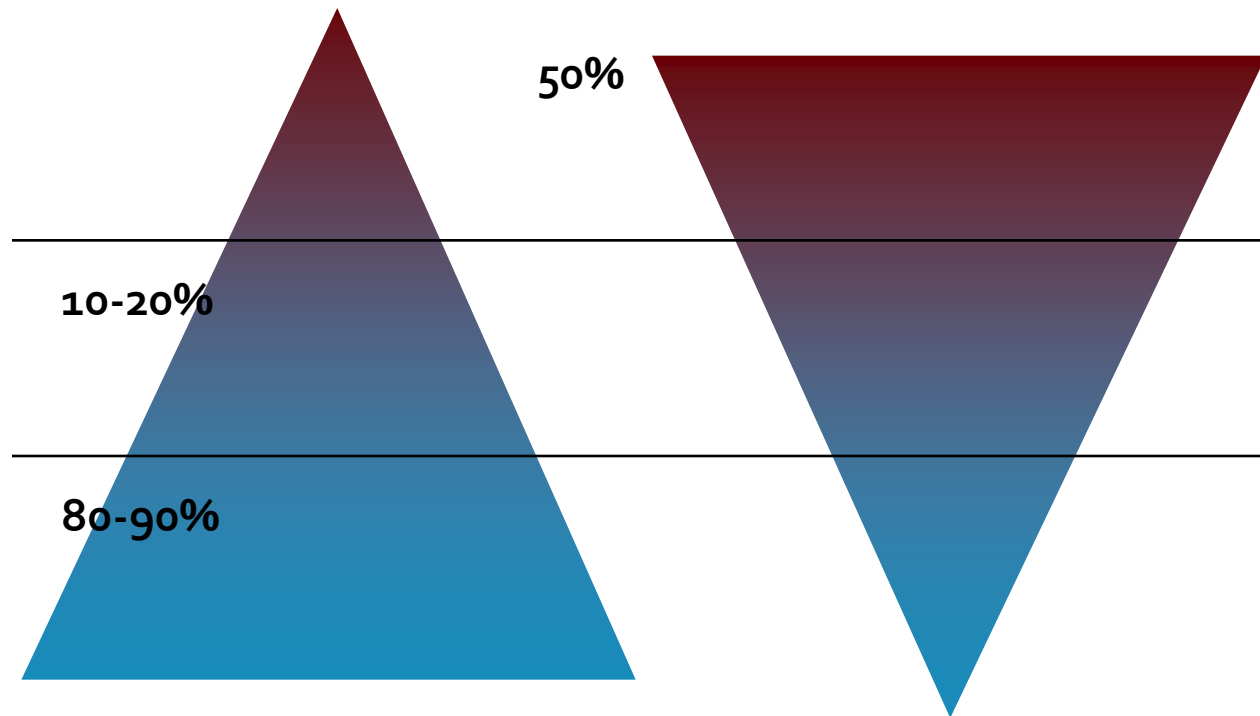
Why Conduct a Capital Campaign?

- Most efficient fundraising method in terms of *results, cost, and time*
- Develops new leadership
- Focuses attention on organization
- Unites and strengthens constituency
- Identifies new prospects
- Raises donor sights
- **Allows you to fulfill the community need**

Campaign Pyramid of Giving

Donors

Amount



Pre-Campaign Preparation

- Conduct Feasibility Study – Consultant
 - Internal Audit
 - Maturity of fundraising program
 - Soundness of gift administrative policies/ procedures
 - Board and staff readiness and commitment
 - Depth and breadth of donor/prospect pool
 - Lead donor prospects
 - Database system

Pre-Campaign Preparation

- Conduct Feasibility Study – Consultant
 - External Audit
 - Interview key community leaders
 - Conduct focus groups
 - Design and implement survey
 - Analyze other fundraising in community
 - Secure names of probable leaders and donors
 - Analyze willingness of volunteer leaders to give and work in a campaign

Determine:

1. Case Statement Viability
2. Campaign Goal
3. Board Leadership and other key volunteers
4. Lead Donors
5. Giving Climate

The Successful Campaign

Conducts both types of studies to provide building blocks for campaign, then ...

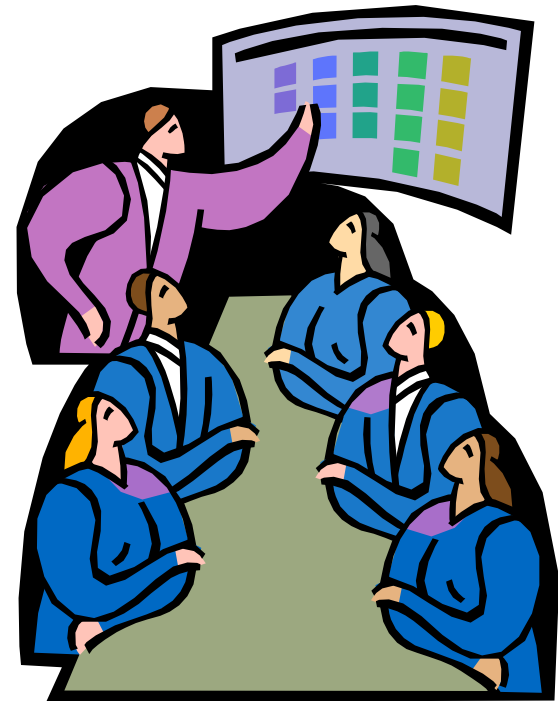
- Recruits the right volunteer leadership
- Enjoys a sense of inevitable success/optimism
- Utilizes proven methodology
- Prepares volunteers and staff
- Provides superb management of the campaign and tracking of prospects and donors

The Failed Campaign

- Launches the campaign without conducting two types of pre-campaign activities:
 - *Study One*
 - Market Analysis
 - Operations Planning
 - Facility Development Planning
 - Financial Projections
 - *Study Two*
 - Campaign feasibility study
 - Fundraising Assessment and Goal
 - Case Assessment
 - Leadership/Staff Assessment

Construct a Gifts Table

- Indicates the number and size of various gifts that will be needed if organization is to meet campaign goal



Gift Table Example: \$1M Goal

Gift Amount	# Gifts	# Prospects	Cumulative Total
\$150,000	1	4	\$150,000
\$75,000	2	8	\$300,000
\$40,000	4	16	\$460,000
\$20,000	8	24	\$620,000
\$10,000	16	32	\$780,000
\$5,000	24	48	\$900,000
\$2,500	40	80	\$1,000,000

Fundamental Approach for Conducting Capital Campaign

- Top-down: Approach that emphasizes lead gifts and largest donors first.
 - Personal visits
- Second-tier of donors/prospects
 - Personal visits/telephone/mail
- Bottom-tier
 - Telephone/internet/direct mail
 - May not be necessary if goal met by first and second-tiers

Lead Donations

Those gifts that are secured before campaign “goes public”. May be up to 60 percent of campaign goal.



Prospect Research (Again)

- Basic Principles:
 - ❖ Linkage, ability, interest
 - ❖ System for research begins with determining internal and external constituents
 - ❖ Process is cumulative and on-going
 - ❖ Confidentiality, accuracy timeliness of data is critical
 - ❖ Prospect identification is every board member's responsibility

Question for Discussion

- With the new emphasis on CSR programs, what should you as a nonprofit consider in entering into:
 - Sponsorships
 - Naming rights arrangements?

Planned Giving:

Another Form
of Major Gift



Planned giving defined:

PLANNING CONSIDERS

- Estate planning issues
- Financial ramifications
- Tax implications

GIVING CONSIDERS

- Philanthropic interests
- Parting with an asset
- Support for a cause

Planned Giving Prospects in the Czech Republic

- “We estimate that the Czech Republic has 10,000 millionaires and 20,000 members of the world’s top 1% of wealth holders” *Global Wealth Report, 2010.*
- “The Czech Republic is among the most successful of the former socialist nations in Eastern Europe, but has many features in common with other transition economies. Average wealth grew robustly from USD 12,000 in the year 2000 to USD 35,000 in 2007, after which the level dropped back to USD 32,000.” Source: Global Wealth Report, 2010.

Planned Gift Categories

- Outright gift – use of asset immediately
 - Gifts of securities (stocks and bonds), intellectual property, paintings, patents, antiques, jewelry, real estate, etc.
- Deferred gift – asset at donor's death
 - Revocable living trusts, estate, life insurance and annuity policies, IRAs and other retirement plans, CDs, etc.
- Life income gift – gift today but donor stream of income for life
 - Pooled income funds, charitable remainder unitrusts, charitable remainder annuity trusts, etc.

Are you a candidate for a planned giving program?

- Organization has:
 - Positive community image
 - Longevity in community
 - Group of prospects and donors of affluence and age
 - Ability to meet its operational needs through other sources
 - Energy/will to support a planned giving program with long-term pay-offs

Managing a Planned Giving Program

- Prospecting system
- Cultivation plan
- Marketing plan
- Legal/accounting support
- Record-keeping system



Who makes planned gifts possible?

- Charitable gift planners in non-profits
- Independent planned giving consultants
- Financial planners
- Trust companies
- Community foundations
- Accountants
- Attorneys
- Insurance agents



Case: Relationship Management

- Relationships with planned gift donors

Review

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