



# Getting Ready for a Capital Campaign

**Your Blueprint for Evaluating  
Internal and External Readiness**

**AFP'S READY REFERENCE SERIES**

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# Getting Ready for a Capital Campaign

**By Linda Lysakowski, ACFRE**

## **AFP's Ready Reference Series**

### **Getting Ready for a Capital Campaign**

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# Acknowledgments

This is the first update of the Ready Reference Series title *Getting Ready for a Capital Campaign*, originally published in 2002. The Ready Reference Series is meant to be a comprehensive and easily digestible resource on the major topics of fundraising. AFP wishes to thank those who made this series possible. First and foremost, we are grateful to the author, Linda Lysakowski, for her hard work and generous sharing of her experience and expertise. Thanks also to the task force that helped update the series: D.C. Dreger, AFCRE; Nina Berkheiser, CFRE; Thomas Campbell, ACFRE; Peggy Calhoun, ACFRE; and Scott Fortnum, ACFRE.





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# What Is a Capital Campaign?

From time to time, nonprofit organizations need to raise substantial funds apart from their annual budgets for a specific purpose—typically a tangible one, such as a new facility or the expansion, renovation, or restoration of an existing one. A capital campaign is often proposed as the solution. Before an organization plunges in, its board and staff need to understand what's involved and assess whether they are ready and able to implement such a major undertaking.

## Defining the Task

What is involved in a capital campaign? In my book *Capital Campaigns: Everything You NEED to Know*, I describe a capital campaign as:

**an intensive effort on the part of a nonprofit organization to raise significant dollars in a specified period of time.**

While this may sound like an overwhelming task, the good news is that a well-run capital campaign not only helps an organization achieve success in this project but will also lay the foundation for a stronger annual fund, increased volunteer involvement, heightened public awareness, and stronger major- and planned-giving programs.

### THE SECRETS

*A compelling case for support*

*100 percent board support*

*A strong infrastructure*

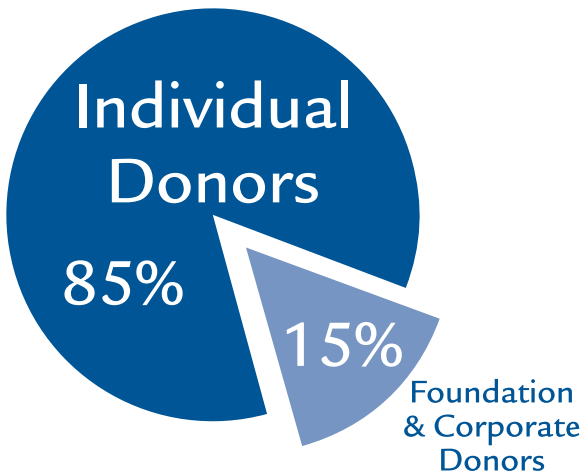
*Strong and enthusiastic volunteer involvement*



### What to Know Before You Start

What does it take to plan a capital campaign? Where does an organization start? Is a consultant needed? Is a planning study necessary? Will most of the dollars raised come from corporations or foundations? What role will individual donors play in a campaign? Is a strong annual fund needed before starting a capital campaign? This booklet is designed to answer these and other questions and help an organization begin the planning process. It is not an in-depth “how-to” for running a capital campaign.

Having an understanding of the sources of charitable contributions is useful. Most charitable contributions in the United States come from individuals. On average, individual donors provide 80 percent of the dollars given to nonprofit organizations, with foundations and corporations giving the remaining 20 percent. A look at the funding pie statistics published each year by The Giving Institute and researched and written about by the Indiana University Lilly Family School of Philanthropy shows that this is the national trend in overall giving.



### Who Gives?



Often in a capital campaign, these statistics are skewed by increased contributions from businesses and foundations. Businesses that do not like to fund operational expenses may fund capital campaigns because they appreciate the visibility provided by name-giving opportunities.

So, be prepared in a capital campaign to develop deeper relationships with foundations and corporations than may currently be in place. Don't overlook individual donors, however, as the great majority of gifts will come from individuals.

Having an integrated approach to the annual fund—soliciting individuals, businesses, and foundations—will put the organization in a much better position to run a capital campaign.

This booklet uses the term “capital campaign,” but many of the same principles also will apply when preparing for an endowment campaign. While implementing a capital (“brick-and-mortar”) campaign differs significantly from an endowment campaign, from a readiness standpoint this difference is negligible. When considering a capital or an endowment campaign, two things need to be done to determine the likely success of the campaign:

1. An internal assessment of the organization's readiness, and
2. An external assessment of the willingness and ability of the organization's constituency to support the campaign.





# Assessing Internal Readiness

## The Development Audit

Many organizations determine their internal readiness by conducting a development audit before launching a major campaign. A typical development audit will include an assessment of:

- Staffing and capacity
- The board's strengths, weaknesses, and capacity
- Organizational structure
- Constituent communications
- Fundraising, or CRM, software capability
- The annual fund and other development history
- Volunteer involvement
- Gift acceptance policies
- Endowment and investment policies

If the nonprofit has never conducted a capital campaign before, a full development audit is recommended before doing an external planning or feasibility study. Even if the agency is “seasoned” in campaigning, a full development audit will still be beneficial in the campaign preparation period. Internal readiness issues should always be considered first, before testing the case with the public.



### What to Ask About Organizational Structure

Key questions need to be asked about the organizational structure.

- **Is the organization a 501(c)(3) or other charitable organization?**

It is critical that donations to the organization qualify as tax-deductible contributions.

Foundations in particular and sometimes corporations will ask for a copy of the IRS determination letter. Locate this letter, and have plenty of copies made.

- **Is the organization registered with the states in which fundraising will be done, if those states require registration?**

Many states in the U.S. require nonprofit organizations to register before doing fundraising there. The organization must be aware of state registration requirements in each state in which solicitations will be conducted and take the appropriate measures to comply with state regulations. (See page 31 for resources.)

- **Does the organization offer effective programs that are needed by the community?**

The public part of the planning study will reveal public awareness and perceptions of programs, but before developing the preliminary case for support, the organization must be aware of the competition and have available the statistics of success of its own programs. Duplication of programs should be avoided whenever possible.

- **Has the organization completed a strategic planning process in the past three years?**

The nonprofit must know its goals and objectives for the future. It is also crucial that the board “own” or buy into this strategic plan. A good indication of ownership is that the board has developed a financial plan to support the goals and objectives of the strategic plan.



- **Can a compelling case for support be made for the proposed campaign?**

The case is the key to a successful campaign. The organization needs a clear mission and vision, and a plan for accomplishing the goal. A budget needs to be in place for the campaign, and donors need to be shown why they should support this campaign.

- **Is the CEO well-known and respected in the community and willing to get involved in the campaign?**

The role of the organization's leadership is another critical area to be assessed. The CEO will need to be present on major solicitation calls and should be willing to commit 40–50 percent of his or her time to fundraising, at least for the duration of the campaign.

## What to Ask About the Giving History

A strong annual fund history, while not 100 percent essential to a successful campaign, can certainly strengthen the organization's position in preparing for a campaign.

- **Has a strong corps of volunteers been developed through the annual campaign?**

A major capital campaign may require hundreds of committed volunteers. If these volunteers are already involved in the organization's fundraising efforts, campaign volunteer recruitment will be much easier.

- **Can the top 10 donors who will be leadership gift prospects for the proposed campaign, and the top 100 donors who will be major-gift prospects for the campaign, be easily identified?**

It is a proven fact that, no matter what the size of the campaign, 5–10 percent of donors will provide 90–95 percent of the goal of the campaign. If relationships with the donors who can provide these leadership gifts have not already been developed, the organization will have its work cut out in identifying, cultivating, and soliciting major gifts for the campaign.



## Getting Ready for a Capital Campaign

- **Have donors' solicitation preferences been made known through their annual fund giving history? Do they prefer mail, telephone, or face-to-face solicitation?**

Leadership gifts will all be done face-to-face, but in the general phase of the campaign, where as high as 90 percent of donors will provide the last 10 percent of the funds to reach the goal, donor preferences and how to best approach these donors need to be established. Do these donors respond better to phone or direct-mail appeals? Do they prefer monthly giving? Year-end giving? Are they members of giving clubs that can help identify a suggested “ask” amount for the capital campaign?

- **Does the organization know which areas of the program interest individual donors?**

Named-giving opportunities will be important aspects of the campaign. Can the organization identify which donors might be interested in the children's room of the new library, the technology hub of the community center, a named scholarship endowment, etc.?

## What to Ask About Staffing

Adequate staffing is vital for a capital campaign.

- **Are there development staff members experienced in running a campaign?**

Many organizations have a small staff inexperienced in fundraising. This does not necessarily rule out a successful capital campaign, but be prepared to provide the training and support that the staff will need if they have little or no experience with capital campaigns.

- **Is there an adequate support staff person?**

A good support person can make life during the campaign much easier. Is there someone who is extremely knowledgeable about the donor database and can handle campaign data management?





- **Are staff members appropriately assigned according to their interests and talents?**

A capital campaign is often the time to review staffing structure and make sure people are doing appropriate tasks. Is there a planned-giving person who can assist in the campaign when appropriate? Who will run the annual fund during and after the campaign? The annual fund and capital campaign need to be carefully orchestrated in order to assure the success of both. The staff needs to address the coordination of the annual and capital campaigns early on in the campaign process.

Are staff members overly involved in special events? These can be very labor-intensive and distract staff, board members, and other volunteers away from the time and focus needed to run a campaign. In a small organization, one major special event is probably all that should be attempted during a campaign. There will be nonfundraising events held during the campaign, such as cultivation events, a kickoff event, and a dedication event, that will require a lot of planning and energy.

- **Will extra staff be hired during the campaign?**

Often a part-time, temporary person is needed to handle all the day-to-day support functions of a campaign (generating reports, campaign volunteer support, meeting planning, and campaign mailings). Is there someone on the staff who can fill this role? Check with the consultant—if one is engaged—to see what services he or she can provide. Often, the consultant can assist in finding the staff needed to run a campaign.



### What to Ask About the Board

The strength of the board is another type of “staffing” that must be assessed.

- **Does the organization have a strong, committed board of directors that will support the proposed campaign?**

A resolution should be passed stating that the board has approved the capital campaign. If there are board members in doubt about the need for this campaign, the public will hear about it and lose confidence in the organization and the campaign.

- **Is there a strong core of board members who will support the campaign both financially and with their time to help identify, cultivate, and solicit donors?**

A 100 percent commitment level from the board is necessary before asking for one dollar from the public. Be sure that board members are aware of their fundraising responsibilities in the campaign.

- **Is the board well-known and respected in the community?**

In order to gain community support, the organization must show that it has capable leadership, that the board recognizes its fiduciary responsibility, and that the board has the right skills and talents to govern the organization.

- **Are people of affluence and influence on the board?**

The board will need to bring to bear all of its influence in identifying the people with the linkage, ability, and interest (the L-A-I principle) to support this campaign. While perhaps all board members are not people of great affluence, they all should be involved in prospect-screening and evaluation sessions. It is often amazing who has a linkage that will help land those leadership gifts.



- **Is the board diverse?**

Foundations in particular often look for a board that is representative of the community served. Diversity means that the board is made up of an appropriate mix in regard to gender, ethnicity, geographical scope, and skills and talents needed.

- **Do board members understand the importance of their role in a campaign?**

The board's role is crucial to success. The board must be willing to give and get. Often, a consultant is brought in to speak to board members about their role in the success of the campaign before the board makes the decision to run a campaign.

### THE L-A-I PRINCIPLE

Identify individuals who have the **L**inkage, **A**bility, and **I**nterest to support the campaign.

## What to Ask About Non-Board Volunteers

Non-board volunteers are essential to the success of a capital campaign.

- **Does the board have a development committee made up of both board members and other volunteers from the community?**

The development committee, like the board, should be involved in the identification, cultivation, and solicitation of donors. This committee can have a subcommittee devoted to working on the capital campaign.

- **Does the organization use community volunteers in its fundraising efforts?**

Ideally, volunteers have been involved in annual fund efforts. Special event volunteers are a good start for organizations that have not used volunteers for major-gifts solicitation. If volunteers have been used for a corporate or business appeal, phonathon, or major-gifts calls, the “best and brightest” can be selected to work on the capital campaign.



### What to Ask About Public Image

The organization's public image is an important component of the capital campaign.

- **Does the organization communicate regularly with all its constituents?**

A quarterly newsletter, thank-you letters, and other regular communications help lay the foundation for major gifts. The development audit will look at donor and constituent communications to see if these tools have been used effectively to build a strong base for support.

- **Are constituents aware of the organization and its programs?**

Are regular press releases issued? Is there a speaker's bureau in place? How often are open house and cultivation events held?

Is the website up to date and attractive? Many donors go to the website as a first step to learn more about a nonprofit. There must be an up-to-date, interactive, informational, and inspirational website. And a page about the campaign will be a great way to communicate updates.

Are various forms of social media being used? Social media is a great way to spread the word about the campaign and its success. Asking constituents—board, staff, volunteers, donors—to share news with their networks can expand networks considerably.

### What to Ask About the Organization's Level of Technology

Technology will be important in the campaign.

- **Is there a donor database system in place that allows for the segmentation of donors and personalized appeals?**

The donor database is a veritable gold mine of potential donors. A system is needed that allows for the segmentation of prospects by campaign divisions, tracks campaign results by solicitor, generates campaign reports, and allows the creation of personalized solicitation and acknowledgment letters. Tracking the results of each prospect and



each solicitor will allow the organization to monitor its donor pipeline and take the right steps to keep it on track.

- **Is the system capable of recording multiyear pledges and planned gifts as well as matching gifts?**

The capital campaign is, for many organizations, the first time they have needed to track multiyear pledges. Most donors will make a three-year pledge, payable monthly, quarterly, semiannually, or annually. A system is needed that can generate pledge reminders and acknowledgments based on these payment schedules.

- **Is there the ability to generate reports that will be needed by the “campaign cabinet,” the board, and financial institutions that may be lending money for the project while the campaign is being completed?**

The donor database system also needs to be able to generate reports that show the progress of each division of the campaign, each team, and each solicitor. The bank will need a cash-flow report showing when pledges will be paid, in order to obtain financing for construction. The board and campaign cabinet will also want to track campaign success on a regular basis.

- **Are there policies and procedures in place for accepting, recording, and acknowledging gifts?**

Often in a capital campaign, gifts of appreciated stock and other accumulated assets may be accepted. Planned and deferred instruments such as trusts, bequests, and/or life insurance policies may be offered as part of a major-gift negotiation.

Before sending staff or volunteers out to solicit for the campaign, it is imperative to have clear policies in place for accepting these gifts. An organization may not want to accept gifts from certain donors, or a particular gift may be unacceptable (such as a gift of real estate or an insurance policy from a 25-year-old donor). These are policies that the board needs to adopt before embarking on a campaign.





# Assessing External Readiness

## Preliminary Planning

The next step in planning a major capital or endowment campaign is assessing the external readiness of the organization to conduct a campaign. This is usually done through a planning/feasibility study. In this study, an outside consultant will help develop the case for support and identify potential interviewees. The consultant conducts confidential interviews with those selected and will then report back to the organization with recommendations.

The basic question of whether the community will support the proposed campaign should be answered in the study report. The planning study not only addresses questions about the public awareness and support of the organization but also helps determine a reasonable, attainable goal for the campaign and a realistic time frame. The planning study also assists in identifying and cultivating volunteer leadership and potential major donors to the campaign.

One of the first steps in the planning study is to develop a preliminary case for support (i.e., what's needed and why). This case will be further developed through the study and the planning stages of the campaign into a final case for support. The *AFP Fundraising Dictionary* defines the case as follows:

Case, n.—the reasons why an organization both needs and merits philanthropic support, usually by outlining the organization's programs, current needs, and plans.



## Getting Ready for a Capital Campaign

Ted D. Bayley offers another definition in his book *The Complete Fundraising Guide to Successful Campaigns*:

Basically, it [the case statement] is an attempt to put in writing a brief, clear statement that communicates the purpose, program, and financial needs of the organization. It truly answers the question of why you are conducting the campaign. But more than that, it is a public statement that must stand alone without explanation. ...

### Making the Case

The case should answer the following questions:

- Who is the organization, and what does it do?
- Why does it exist?
- What is distinctive about the organization?
- What must be accomplished?
- How will this campaign enable it to be accomplished?
- How can the donor become involved?

#### COMPONENTS OF THE CASE

- Mission
- Vision
- History
- Statement of community problem
- Goals of the campaign
- Objectives to meet these goals
- Programs and services
- Staffing
- Governance
- Facility needs
- Endowment
- Budget for the campaign
- Statement of needs
- Gift range chart
- Named-giving opportunities





- **What's in it for the donor (i.e., why should they give to this effort)?**

The case needs to be both rational and emotional. The case should be compelling, but not too emotional. There is a fine line between urgency and desperation—a line that the case for support cannot cross. It must appeal to both the head and the heart. It is critical that both staff and volunteers are involved in the development of the case. It is this ownership of the process that sets the stage for a successful campaign.

Harold J. Seymour, in his *Designs for Fund-Raising*, sums up the definition of a good case for support:

Finally, it should be said that the case for fundraising, taking into account what has been said about people, causes, and giving, should aim high, provide perspective, arouse a sense of history and continuity, convey a feeling of importance, relevance, and urgency, and have whatever stuff is needed to warm the heart and stir the mind.

## Planning Study Interviews

While the case is being completed, the process of identifying the people who will be interviewed can begin. The planning study process usually requires between 35 and 60 interviews drawn from major prospects for individual, corporate, government, and foundation gifts and grants. The number of individuals to be interviewed depends on the size and scope of the organization, its constituency, and the proposed campaign. These potential interviewees are then ranked A, B, or C, with A being people it is essential to interview, B being people who should be interviewed, and C being people who could be interviewed.

Interviewees should include present and past board members, major donors to the organization, key volunteers, key prospective donors, and community leaders. The preliminary case statement is then “tested” through this interview process.

The study interviews should always be done by outside counsel. The interviews are conducted one-on-one, in a confidential setting, and the comments are reported back to the nonprofit anonymously.



## Getting Ready for a Capital Campaign

The results of a planning study will provide the nonprofit with the following:

- An analysis of the potential for successful capital fundraising
- A revised table of gifts, if needed
- A proposed campaign plan and organizational chart
- A recommended overall dollar goal
- A suggested campaign timetable and budget
- A list of potential donors
- A list of potential volunteers

### Hiring Consultants

An outside, impartial third party should conduct both the feasibility study and the development audit in order for these to be effective. Often, the two components are combined into a planning study, which looks at both the internal and external readiness. When interviewing consulting firms, be sure to ask if the study will include both components of assessing your readiness. Also ask for references, and contact them. Fees for the planning study may vary according to the organization's needs and the firm chosen.

To find consultants, check the AFP Fundraising Consultants and Resource Directory at AFP's website ([www.afpglobal.org](http://www.afpglobal.org)). Be sure that the firms being considered have a code of ethics they adhere to and are registered as fundraising counsel in the state in which the organization is located, if such registration is required.

When hiring a consultant for the study and the campaign, contracting first for just the study is recommended. A planning study may not always lead to a campaign. To get the best impartial judgment, the wise choice is to hire the consultant only to do the study and then make the campaign consultant decision based on the study report and level of satisfaction with the consultant conducting the study.



There has been some debate recently as to whether a study is needed before running a campaign. Some say it is a waste of time and money. Others say it is critical to a successful campaign. Arguments can be made on both sides of this debate, but unless an organization has a pool of donors from which leadership donors have been identified and these donors have committed to giving at least 50 percent of the goal, and these or other donors have agreed to assume a leadership role in the campaign, most organizations will want to consider a study.

The role of the consultant in the capital campaign typically includes:

- planning and organization
- case development
- conducting donor/prospect-screening and evaluation
- volunteer training
- working directly with the CEO and board of directors
- **Make arrangements that suit the organization and its resources**

Most campaign management is structured as a monthly retainer throughout the life of the campaign. Some consultants will work with a nonprofit on a project basis, such as training volunteer solicitors, screening and evaluating donor prospects, or developing solicitation strategies. This can be more economical than a monthly retainer fee but may not meet the organization's total needs.

- **Penny-wise may be pound-foolish.**

Most nonprofits will typically conduct a major campaign infrequently. Because large sums of money are at stake, it is best not to experiment with the planning, structure, and conduct of a campaign. A consulting arrangement may be the best path to success.



## Getting Ready for a Capital Campaign

- **Consider possible sources of seed money.**

If the organization cannot afford to hire a consultant, many times a lead gift may be obtained to cover the initial expenses of counsel until the campaign starts bringing in cash. Private foundations can be a source of these “startup” funds. They most often fund a feasibility study or planning study to assist the nonprofit in preparing and planning for a campaign because they know that proper preparation and planning is the key to a successful capital campaign. Another option is to approach a local service club or organization that may fund initial fundraising costs.

**Important note:** The *AFP Code of Ethical Standards* rules out any consultant who offers to work on a contingency or commission basis.

- **Assess the need for staff changes.**

Finally, even if the organization will be working with a consultant, it should consider hiring an experienced development director to head up fundraising efforts, unless such a person is already on staff. In most cases, an organization cannot embark upon a successful campaign without increasing staffing capabilities. If a development director is in place, a staff campaign manager may be needed in addition to a consultant.



# Campaign Readiness Evaluation

Instructions: Circle a number from 0 to 5 for each statement, where 0 = serious problem exists and 5 = goal completed.

Use the questions below each statement to aid in determining the appropriate rating for that statement.

## 1. Organization has met all legal requirements to engage in fundraising activities.

0      1      2      3      4      5

- Does the organization have an IRS ruling as a 501(c)(3) or other charitable designation?
- Is the organization registered with the state's regulatory authority, if required?
- Has it met the requirements of or have approval from the United Way, local capital campaign review board, its national office, or other funding or regulatory agencies?

## 2. Organization has a solid infrastructure.

0      1      2      3      4      5

- Does the organization have appropriate staff in place?
- Does the organization have written mission and vision statements?
- Are gift acceptance policies in place?
- Are data entry procedures in place?
- Does the organization have an adequate and up-to-date donor software system?



## Getting Ready for a Capital Campaign

### 3. Organization is financially stable.

0      1      2      3      4      5

- Does the organization have a qualified, experienced financial officer on staff?
- Does the board's financial committee understand the organization's fiscal status?
- Have revenues increased or deficits decreased in the past two years?
- Has the organization had a balanced budget for at least two years?
- Does the organization have a line of credit or availability of a bridge loan during construction?

### 4. The board president is recognized as a strong, able community leader.

0      1      2      3      4      5

- Has the president been on the board of directors for at least two years?
- Has the president been on the board for less than six years?
- Is the person known and respected in the community?
- Does the person show good judgment?
- Has the president made a leadership gift?

### 5. The board of directors has at least seven members who have affluence and influence.

0      1      2      3      4      5

- Does the organization have representatives from the business community on the board?
- Are they the decision-makers for their companies?
- Does the organization have people of wealth who are well-respected in the community and have worked on other campaigns?
- Do at least 80 percent of the board members make generous annual gifts?



**6. The board has consensus on the campaign plan and goal.**

0      1      2      3      4      5

- Has the board participated in the feasibility study?
- Does everyone on the board approve of this project?
- Do at least 80 percent of the board members feel it is possible to reach the goal?

**7. The board is willing to work on the campaign.**

0      1      2      3      4      5

- Does the organization have influential community leaders who will work on the campaign?
- Will at least three members of the board serve in the campaign cabinet?
- Will everyone on the board play some role (solicitation, public relations, phonathon, special events, etc.)?

**8. The CEO has been with the organization for at least two years.**

0      1      2      3      4      5

- Does the CEO have at least 10 years of experience in the field?
- Is the CEO well-known and respected within the field?

**9. The CEO is experienced and respected in the community.**

0      1      2      3      4      5

- Is the CEO active in chamber of commerce, civic, or professional organizations?
- Is the CEO asked to serve as a spokesperson for issues relating to the field?
- Is the CEO known as a community leader?



## Getting Ready for a Capital Campaign

### 10. The staff has experience and knowledge in the area of fundraising.

0      1      2      3      4      5

- Does the organization have a full-time director of development?
- Is the development staff person a member of AFP, CASE, AHP, or another professional association?
- Is the chief development officer a CFRE or ACFRE?

### 11. The staff has time to work on the campaign.

0      1      2      3      4      5

- Is the staff free from overinvolvement in special events?
- Does the organization have adequate clerical support?
- Is the staff free from overinvolvement in tasks not related to development?

### 12. A long-range plan with written goals is in place.

0      1      2      3      4      5

- Have the board and administration developed or updated the organization's strategic plan within the last three years?
- Is the plan reviewed at least quarterly?
- Are objectives specific and measurable?

### 13. An annual giving program is in place.

0      1      2      3      4      5

- Has the organization conducted an annual campaign in the past two years?
- Has annual giving increased over the past two years?
- Does the organization have an integrated development program (special events, phone, direct mail, foundation grants, corporate appeal, etc.)?





#### 14. A marketing and publicity plan is in place.

0      1      2      3      4      5

- Does the organization have marketing staff, board members, or consultants to develop the plan?
- Does the organization have a marketing plan that was developed or updated in the past three years?
- Is the plan evaluated regularly?
- Does the organization's public relations effort result in increased donations, volunteers, and clients?

#### 15. The organization serves a real need in the community.

0      1      2      3      4      5

- Has the organization recently done a market study to evaluate community needs?
- Has the organization been in existence for two years or more?
- Does the organization have a limited amount of competition for its programs?

#### 16. Users of the organization think highly of its programs.

0      1      2      3      4      5

- Has the organization done client satisfaction studies?
- Do the organization's users support it financially?
- Do the organization's users volunteer for the organization?

#### 17. The organization has a high public image.

0      1      2      3      4      5

- Does the organization have an easily identifiable logo?
- Are an organizational video and/or brochures available?
- Are an annual report, newsletter, and press releases regularly published?



## Getting Ready for a Capital Campaign

### 18. Individuals are available who could give 10 percent of the goal if they desire to do so.

0      1      2      3      4      5

- Does the organization have at least one board member capable of giving 10 percent of the goal?
- Does the organization have a list of major donors capable of making a gift of this size?
- Does the organization have giving histories of its top donors?

### 19. The top 100 donors have been identified and cultivated.

0      1      2      3      4      5

- Can the staff pull with ease a list of the top 20 percent of the organization's donors?
- Is a donor recognition program in place?
- Is a donor cultivation program in place?

### 20. The campaign initiative is innovative, exciting, ambitious, and worthy of support.

0      1      2      3      4      5

- Has a feasibility study been done to determine community support?
- Has a market study been done to determine the need for this project?
- Has an architectural study been done to determine the feasibility and costs of the project?
- Has the organization considered and evaluated endowment needs?



## Tallying the score:

$$0 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

$$1 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

$$2 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

$$3 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

$$4 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

$$5 \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}}$$

$$\text{Total} = \underline{\hspace{2cm}}$$

## Interpreting the score:

85–100 The campaign is ready to launch immediately.

70–84 Some improvements are necessary.

55–69 Extensive preparation is essential to the success of the campaign. Serious reorganization is needed before beginning a capital campaign.





# Moving Forward

## Ready, Set, Go?

Capital campaigning is challenging and fun. According to Henry A. Rosso in his *Achieving Excellence in Fund Raising*:

The capital campaign has its own storehouse of jargon, some of it distinctly militaristic in expression. There is the campaign that is headed by a general chairperson. The campaign itself is divided into divisions. The divisions and the teams in the divisions are directed by majors or captains. The plan is comprised of the overall strategy and the operational tactics. The line of command is hierarchical. The command operates out of a command post that is campaign headquarters. In headquarters is a management staff that manages the intelligence bank and provides logistical support. This is the form of the classical campaign.

In most cases, capital and/or endowment campaigns will take the organization to the next level. Seeing volunteers solicit and receive large gifts is exciting. So too is the accomplishment of a successful campaign that literally builds for the future through realizing capital needs or establishing the future solidity of an endowment.

Many smaller nonprofits and community organizations are getting into capital and endowment campaigns. Even if the planning study recommends waiting, much can be done to plan and prepare for a campaign in the future.

Ongoing annual fundraising and building corporate and foundation relationships help to prepare an organization for a successful campaign effort. If the organization has never done a corporate annual fund, trying one that involves personal solicitation will give the staff and volunteers the experience of a “mini-campaign” in a defined time period with a specific goal.

Completing the Campaign Readiness Evaluation that begins on page 21 is good way to see if an organization is ready to do a campaign. If the results indicate that more preparation is needed, it will help to identify the areas that need improvement.



### 10 STEPS TO PREPARE FOR A CAPITAL CAMPAIGN

1. Get board approval for a study.
2. Obtain local/regional approval from any regulatory bodies in your community.
3. Interview consultants, and select one for the planning study (be sure to check references).
4. Conduct an internal assessment of readiness to conduct a campaign.
5. Draft the preliminary case for support.
6. Identify the organization's stakeholders for the planning study interviews.
7. Schedule interviews, and send interviewees the preliminary case for support.
8. Have the consultant conduct interviews, and prepare the study report that will be presented to the board of directors.
9. Hire a consultant for campaign services, looking at several consulting arrangements and selecting the one best suited for the agency, given its strengths and weaknesses (see pages 18–19).
10. Identify the campaign's volunteer chair or co-chairs. Such individuals are key to the success of a campaign and should be selected carefully.



# Resources

## References

Bayley, Ted D. (1999). *The Complete Fundraising Guide to Successful Campaigns* (St. Barthelemy Press, Ltd.).

Lysakowski, Linda. *Capital Campaigns: Everything You NEED to Know* (CharityChannel Press).

Lysakowski, Linda. *Are You Ready for a Capital Campaign?* (CharityChannel Press).

Rosso, Henry A. (1991). *Achieving Excellence in Fund Raising* (San Francisco, CA: Jossey-Bass).

Seymour, Harold J. (1998). *Designs for Fund-Raising, Second Edition* (Ambler, PA: Fund Raising Institute).



### Other Resources

The Giving Institute publishes annual updates on state regulations governing fundraising, along with its yearly assessment of giving, at [www.givingusa.org](http://www.givingusa.org).

The *AFP Code of Ethical Standards* can be found on the AFP website at [www.afpglobal.org/ethics](http://www.afpglobal.org/ethics).

The Online Compendium of Federal and State Regulations for U.S. Nonprofit Organizations is available at [www.muridae.com/publicaccess/index.html](http://www.muridae.com/publicaccess/index.html).

State registration regulations: Organizations should contact the attorney(s) general of the state(s) in which they plan to solicit. A list of attorneys general is available on the National Association of Attorneys General website at [www.naag.org](http://www.naag.org).

The Unified Registration Statement (URS) represents an effort to consolidate the information and data requirements of all states that require registration of nonprofit organizations performing charitable solicitations within their jurisdictions ([www.multistatefiling.org](http://www.multistatefiling.org)).

*Capital Campaigns: Strategies That Work, Fourth Edition* ([www.amazon.com/Capital-Campaigns-Strategies-That-Work/dp/1284069230/ref=sr\\_1\\_1?ie=UTF8&qid=1537997609&sr=8-1&keywords=capital+campaigns+strategies+that+work](http://www.amazon.com/Capital-Campaigns-Strategies-That-Work/dp/1284069230/ref=sr_1_1?ie=UTF8&qid=1537997609&sr=8-1&keywords=capital+campaigns+strategies+that+work)).

For other capital campaign resources, visit Amy Eisenstein's website, [www.capitalcampaigntoolkit.com](http://www.capitalcampaigntoolkit.com).





# Notes



# Notes

# A DONOR BILL OF RIGHTS

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## DEVELOPED BY:



Association of Fundraising Professionals (AFP)



Association for Healthcare Philanthropy (AHP)



Council for Advancement and Support of Education (CASE)



Giving Institute: Leading Consultants to Non-Profits

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**PHILANTHROPY** is based on voluntary action for the common good. It is a tradition of giving and sharing that is primary to the quality of life. To assure that philanthropy merits the respect and trust of the general public, and that donors and prospective donors can have full confidence in the not-for-profit organizations and causes they are asked to support, we declare that all donors have these rights:

## I

To be informed of the organization's mission, of the way the organization intends to use donated resources, and of its capacity to use donations effectively for their intended purposes.

## II

To be informed of the identities of those serving on the organization's governing board, and to expect the board to exercise prudent judgment in its stewardship responsibilities.

## III

To have access to the organization's most recent financial statements.

## IV

To be assured their gifts will be used for the purposes for which they were given.

## V

To receive appropriate acknowledgment and recognition.

## VI

To be assured that information about their donations is handled with respect and with confidentiality to the extent provided by law.

## VII

To expect that all relationships with individuals representing organizations of interest to the donor will be professional in nature.

## VIII

To be informed whether those seeking donations are volunteers, employees of the organization, or hired solicitors.

## IX

To have the opportunity for their names to be deleted from mailing lists that an organization may intend to share.

## X

To feel free to ask questions when making a donation and to receive prompt, truthful, and forthright answers.

## About the Author

Lynda Lysakowski, ACFRE, was one of the first 55 fundraisers worldwide to achieve the Advanced Certified Fundraising Executive designation. Linda is president of Linda Lysakowski, LLC, and is the author of more than a dozen books. You can find her books at [www.lindalysakowski.com](http://www.lindalysakowski.com), and you can reach Linda at [Linda@LindaLysakowski.com](mailto:Linda@LindaLysakowski.com).

