Getting Ready for a Capital Campaign

Your Blueprint for Evaluating Internal and External Readiness
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Getting Ready for a Capital Campaign

Your Blueprint for Evaluating Internal and External Readiness

By Linda Lysakowski, ACFRE, and Judith Snyder, MPS, CFRE

AFP’s Ready Reference Series
Association of Fundraising Professionals
This booklet is the second in AFP’s Ready Reference Series for professional fundraisers.

Text by Linda Lysakowski, ACFRE, and Judith Snyder, MPS, CFRE.

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om 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, the board and staff need to understand what is involved and assess whether they are ready and able to implement such a major undertaking.

What is involved in a capital campaign? In their book *Fundraising Basics*, Barbara Ciconte and Jeanne Jacob describe a capital campaign as:

an intensive fundraising effort organized to meet a specific financial goal within a specified period of time for one or more major special projects such as the construction of a facility, the purchase of equipment, the expansion of programs, or the acquisition of endowment.

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 lay the foundation for a stronger annual fund, increased volunteer involvement, heightened public awareness, and stronger major and planned giving programs.

What does it take to plan 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, the board and staff need to understand what is involved and assess whether they are ready and able to implement such a major undertaking.

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What does it take to plan a capital campaign? Where does an organization start? Is a consultant needed? Is a feasibility 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 85 percent of the dollars given to nonprofit organizations, with foundations and corporations giving the remaining 15 percent. A look at the funding pie statistics published each year by the American Association of Fundraising Counsel Trust for Philanthropy and written and researched by the Indiana University Center on Philanthropy shows that this is the national trend in overall giving.
Often in a capital campaign, these statistics are skewed by increased contributions from corporations and foundations. Businesses that do not like to fund operational expenses may fund capital campaigns because they appreciate the visibility provided by named-giving opportunities. So, be prepared in a capital campaign to develop a deeper relationship 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, corporations, 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 (“bricks 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 a 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.
Many organizations determine their internal readiness by conducting a development audit before they consider 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
- Technological capability
- The annual fund and other development history
- Gift acceptance policies
- Endowment and investment policies.

If the nonprofit has never done 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 to the campaign preparation period. Internal readiness issues should always be considered first, before testing the case with the public.
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 in that state. The organization must be aware of state registration requirements in every state in which solicitations will be conducted and take the appropriate measures to comply with state regulations. (See page 27 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 perception 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, 10-20 percent of donors will provide 80-90 percent of the goal of the cam-
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.

■ **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 80-90 percent of donors will provide the last 10-20 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 what 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 center of the community center, a named scholarship endowment, etc.?

Adequate staffing is vital for a capital campaign.

■ **Is there development staff that is experienced in running a campaign?**

Many organizations have a small staff that is 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 adequate support staff?

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 the 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.

■ 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 they 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 will 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 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.

**The L-A-I Principle**

*Identify individuals who have the Linkage, Ability, and Interest to support the campaign.*
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.

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.
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 events and cultivation events held?

Technology will be important in the campaign.

■ Is there a donor database system in place that allows segmentation of donors and personalized appeals?

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

■ Is the system capable of recording multi-year pledges and planned gifts as well as matching gifts?

The capital campaign is, for many organizations, the first time they have needed to track multi-year 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 acknowledgements 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 or 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 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 a gift 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

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 these confidential interviews and will then report back to the organization with recommendations.

The basic question of whether or not the community would 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 is needed and why is it needed? 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.

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.

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 that should be interviewed, and C being people that 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 reported back to the nonprofit anonymously.

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 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 Directory of Consultants and Resource Partners* at AFP’s website [www.afpnet.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.

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.

■ **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 “start-up” 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. The *AFP Code of Ethical Principles and Standards of Professional Practice* rule 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  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 IRS ruling as 501(c) 3 or other charitable designation?
   • Is the organization registered with the state’s regulatory authority, if required?
   • Has it met requirements of or have approval from 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/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?

3. Organization is financially stable.
   0 1 2 3 4 5
   • Does the organization have a qualified, experienced financial officer on your 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.

- Has the president been on the board of directors at least two years?
- Has the president been on the board 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.

- 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.

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

7. The board is willing to work on campaign.

- Does the organization have influential community leaders who will work on the campaign?
- Will at least three members of the board serve on 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 at least two years.
   0 1 2 3 4 5
   • Does the CEO have at least 10 years 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?

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 other 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 over-involvement in special events?
    • Does the organization have adequate clerical support?
    • Is the staff free from over-involvement 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.

• Has the organization done 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.

• Does the organization have a 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 donation, volunteers, and clients?

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

• 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.

• 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?

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 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 organization’s staff pull a list of the top 20 percent of its donors with ease?
- 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 project?
- Has the organization considered and evaluated endowment needs?
Tallying the score:

\[
\begin{align*}
0 \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
1 \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
2 \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
3 \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
4 \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
5 \times & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
\text{Total} & \underline{\hspace{2cm}}
\end{align*}
\]

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 re-organization is needed before beginning a capital campaign.
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 miliatristic 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 division 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 19 is good way to see if the organization is ready to do a campaign. If the results indicate 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 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 consultant conduct interviews and prepare study report that will be presented to the board of directors.
9. Hire consultant for campaign services—looking at several consulting arrangements and selecting the one best suited to the agency, given its strengths and weaknesses (see pages 16-17).
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.
References


The AAFRC Trust for Philanthropy publishes *Giving USA Update: Annual Survey of State Laws Regulating Charitable Solicitations* each year. This publication can be purchased at www.aafrc.org

*AFP Code of Ethical Principles and Standards of Professional Practice* can be found on the AFP website at www.afpnet.org/ethics

AFP Fundraising Resource Center—Contact the Resource Center for questions relating to fundraising, philanthropy, and nonprofit management. Phone: 800/688-FIND (3463) or email: resctr@afpnet.org

Online Compendium of Federal and State Regulations for U.S. Nonprofit Organizations is available at www.muridae.com/nporegulation/main.html
State Registration Regulations—Organizations should contact the attorney 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

The Unified Registration Statement is provided for those who must register in multiple states. The URS is located at www.nonprofits.org/library/gov/urs/

ABOUT THE AUTHORS

The authors, Linda Lysakowski, ACFRE, and Judith Snyder, MPS, CFRE, collectively have more than 30 years in fundraising. Linda is president/CEO of Capital Venture, a consulting and training company with offices in Pennsylvania and Nevada. Judith (formerly with Capital Venture) is now president of JSM Consulting Group, Inc. with offices in Kentucky and Ohio.
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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 identity of those serving on the organization’s governing board, and to expect the board to exercise prudent judgement 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 acknowledgement 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.

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