

ANNUAL FUND: Each & every year to raise money to assist in paying regular, ongoing expenses

An Annual Fund Campaign:

- Should be any organization's primary source of unrestricted income
- Stimulates unrestricted gifts to give an organization wide latitude of funds' applications
- Raises public awareness and acceptance of the organization and that it must raise money
- Develops a base of knowledgeable and committed volunteers
- Builds a predictable base of support and provides a pool of proven donors for major gifts
- Is made up of a vast majority of individual donors who give their first gifts
- Is never be canceled or deferred due to controversy
- Must take precedence if the organization does not have the resources to mount other campaigns
- Is broad-based, directed at a large number of prospective donors
- Requires solicitations with rated asking amounts & a bench-mark amount when not able to rate
- Seeks increases each year from previous donors since the organization's expenses increase
- Is always conducted at the same time with other efforts, i.e., capital, endowment, sponsorships
- Features memberships, societies, etc., at various gift-requirement levels offering donor benefits

SPONSORSHIP & UNDERWRITING: For projects, programs, events, initiatives, activities, etc.

Sponsorship & Underwriting Campaigns:

- Can be equally supported by corporations, foundations, and individuals
- Allows more funds to be obtained from annual donors, and from others not annual contributors
- Can be mounted by any organization with something in its budget to offer--plus new initiatives
- Must strongly resist excessive "out-of-pocket expenses" by giving too much to the sponsor
- Offer great networking to a company's customers, and their own executives and spouses
- Require you not offer the same specific project to more than one prospect at a time
- Are not allowed to compromise your image, and do not embarrass the sponsor-underwriter
- Still have companies see this support in a philanthropic sense--not as "value received"

ENDOWMENT CAMPAIGNS: Raise money to invest rather than spend, income used many ways

CAPITAL CAMPAIGNS: Raise money that will be spent to acquire or improve a physical asset

Endowment & Capital Campaigns:

- Require you decide what scope and form of a feasibility study/evaluation is best for you
- Are not conducted if you can in the short-term cover costs with annual funds and other gifts/grants
- Undertaken when you have the resources to do them along with the annual fund
- Run no longer than about 16 months from start to finish
- Are usually announced to the public when at least one-quarter of the goal is raised
- Feature the solicitation and implementation of challenge and matching grants
- Seek to have a commitment of at least one-third of the goal from the board of trustees
- Ensure that total fund-raising expenses be at no more than 3% of the money raised, or less
- Produce budgets which include total fund-raising expenses and a liberal contingency figure
- Are spaced to avoid soliciting prospects still making payments of pledges from the prior drive
- Are spaced to avoid having people believe you have not been planning ahead properly
- Are spaced to avoid negatively affecting the annual fund campaigns in the long run
- Large giver campaign: 1/3 from 15 donors, next 1/3 from 75 donors & last 1/3 from all others
- Avoid broad-based approaches for contributions: For \$1 million you need 1,000 donors at \$1,000
- Seek prospects to rate for maximum potential, since some who could give big will give less
- Offer many named gift opportunities for the donors, and which are "sales tools" for the solicitors

An Endowment Campaign:

- Lessens the need to raise annual funds, or it provides special funds for extraordinary expenses
- Is most feasible when an organization is old enough: having a past ensures there is a future
- Presents a credible case for support of the future when there is current financial stability
- Is produced when a substantial enough amount of income justifies the effort put into it
- Goal is difficult to validate due to uncertain future income rates, changed payment schedules, etc.
- Will solicit deferred gifts, especially when prospects are not in position to give up current income
- Can be slowed and stopped when people interfere with the production of the campaign brochure
- Can be seriously impeded when named gift opportunities are taken too literally relative to "value"

A Capital Campaign:

- Should, if possible, have an addition of an endowment cap to fund future operations' costs
- Goal must not be set based upon the capital expense before the potential to raise it is evaluated
- Should set goals for cash-in-hand at scheduled periods when money is needed to pay expenses
- Needs to have the money raised before the building is completed and is operating
- Does not actively solicit deferred gifts, but accepts them for the future income they provide
- Seeks in-kind gifts and always publicizes the donations with "market value" credits