

Strategic Fundraising Plan
for the
Gunnison Ranchland Conservation Legacy

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-prepared by Susan Lohr

*Lohr Associates, P.O. Box 1757, Crested Butte, CO 81224
Phone/fax (970)349-7416, email: slohr@crestedbutte.net*

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Executive Summary

This report presents a strategy for accomplishing fundraising goals for the Gunnison Ranchland Conservation Legacy (GRCL). An analysis of current and future funding needs suggests that ongoing operations and fundraising efforts will require about \$150,000 per year. In order to accomplish the purchase of conservation easements from interested ranch families, more than \$20 million must be raised. Plans for establishing a variety of fundraising programs are presented, with goals, responsibilities, tasks and timelines listed for each approach. A coordinated effort by the GRCL board, staff and consultants will be required to accomplish significant fundraising successfully.

Part One: Analysis of the Need for Fundraising

Demand for the purchase of development rights from ranch families in the service area of the Gunnison Ranchland Conservation Legacy (GRCL) far outstrips available financial resources. A minimum of \$20 million additional dollars is needed to handle the current level of interest, and that number will undoubtedly increase to \$30 million by the end of 1999.

Funds are needed by the GRCL for three purposes:

1. Annual operating expenses
2. Fundraising expenses
3. Conservation easement expenses

1. Annual Operating Expenses

In order to accomplish the goals of the GRCL, a minimum staff consisting of an Executive Director with part-time administrative support is necessary. An office presence in the Gunnison community is essential. Operational activities include:

- providing board support
- responding to landowner, public and media interest
- facilitating projects from initial contact through due diligence processes to successful completion
- guaranteeing the financial requirements for project completion
- preparing annual budgets
- managing all aspects of handling grant and other funds
- providing newsletters and other public informational materials about the GRCL.

Projected annual cost: \$80,000.

Source of funds:

- ◆ The GOCO Legacy grant provides \$15,000 per project as a professional services fee. Proposed 1999 income: \$60,000
- ◆ The GOCO Legacy grant provides one percent of the total appraised value of each easement as overhead income. Proposed 1999 income: \$22,000.
- ◆ General donations provide additional operational income.
- ◆ Accumulated surplus is available to cover operational expenses if necessary.

Funding goals:

- Per project fees are appropriate and should always be provided from funding sources for each easement project.
- Ultimately a \$1 million endowment would provide \$80,000 per year of operational income, freeing general donations to be spent directly on land preservation. Establishment of this endowment is a lower priority than funding easements, but should not be forgotten.

2. Fundraising Expenses

The ongoing success of the GRCL will require significant attention to fundraising. If the biennial infusion of \$2.5 million from GOCO constitutes all the funding received, the organization will not accomplish its stated goal of serving the land preservation needs of the local ranching community. Therefore, a fundraising budget should be created, approved, funded, and then carefully monitored for program effectiveness.

Current fundraising activities include:

- salary and benefit expenses for the Development Coordinator
- contract for the Principal Fundraising Consultant
- fifty percent of the cost of the Outreach Coordinator to cover that portion of her time spent on membership activities
- that part of the salary and benefits for the Executive Director that involve writing and negotiating grants with local, state or federal agencies and private foundations
- various direct expenses related to events, mailings, printing, travel and administration.

Projected annual cost: \$75,000.

Source of funds:

- ◆ Event income covers both the direct costs incurred and the proportional staff time.
 - 1998 event income: \$7,620 (net of \$3,500)
 - 1999-to-date event income: \$5,900 (net of \$2,300)
- ◆ Membership dues cover the staff cost of providing the membership program, and any direct costs incurred.
 - 1998 membership income: none (not started in 1998)
 - 1999-to-date membership income: \$42,000 (net of \$31,000)

- ◆ Unspecified general donations that are not part of the 1% for Open Space program are available for fundraising purposes.
 - 1998 general donations: \$26,800
 - 1999-to-date general donations: \$8,000
- ◆ Accumulated surplus is available to cover fundraising expenses if necessary.

Funding goals:

- Secure GOCO grant for fundraising, as an amendment to the capacity building grant. Amount requested: \$50,000. Will hear in August whether these funds will be available.
- Make certain that enough unspecified income is available to adequately fund annual fundraising expenses. Individual major donors should provide at least \$30,000 in 1999, and this amount should increase at least 25% annually.
- Membership donations should grow by 5% annually.
- If a large push is to be made for creating a multi-million dollar giving fund, consider offering a contract that gives the fundraising consultant a percentage of resulting donations, beyond a guaranteed minimal base fee.

3. Conservation Easement Expenses

Many millions of dollars need to be secured to purchase development rights from interested ranch families. The appraised value of the easements currently offered to GRCL exceeds \$25 million, and more families express interest every week. This amount is in addition to the projects completed in 1998 (\$5.1 million of easement value) and those which will be completed in 1999/early 2000 (\$3.2 million of easement value). The generation of a \$20 million corporate or foundation giving opportunity to a locally held and managed GRCL fund would be an appropriate goal in order to establish credibility for the future of the GRCL program.

Projected need: \$20 million by the end of the year 2000

Sources of funds:

- ◆ GOCO Legacy grant of \$2.5 million every second year
- ◆ Federal Farmland Protection Program might provide \$1 million if reauthorized by Congress
- ◆ National Fish and Wildlife Federation currently awarded \$100,000 and is interested in providing more. Might get \$1 million.
- ◆ Gunnison County Land Preservation Trust has pledged \$120,000/year for three years and might bond for more.
- ◆ One-Percent for Open Space program gross proceeds were \$69,000 in 1998 and are \$34,750 to date in 1999. Net annual cost of this program is about \$12,000.
- ◆ In-kind match of 25% of easement value provided by participating families.

Funding goals:

- Create a multi-million dollar conservation easement fund that provides the bulk of cash needed for easement purchases. Targeted donors would be corporations and large foundations. Other donations not needed for operational or fundraising expenses would be added to this fund.
- Use GOCO and other grant sources as matching funds for the local fund.
- Maintain the easement purchase contributions from the County fund and One-Percent program. These relatively small amounts are immensely important to the success of a larger non-local fundraising effort.
- Maintain the 25% bargain sale rule for each project, thereby reducing the need for cash by 25%.
- Investigate the possibility of using 50-year term easements on equivalent acreage as an in-kind matching fund option, thereby doubling the acres under protection.

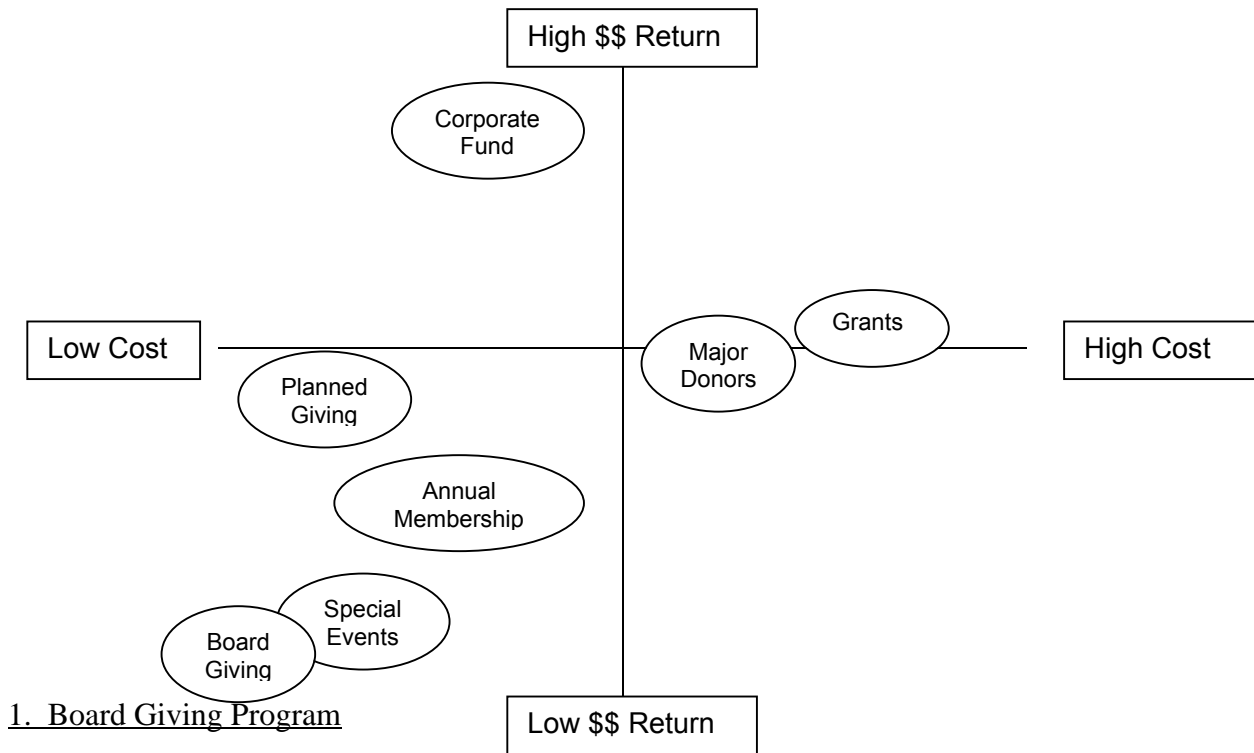
Part Two: Fundraising Plan

Fundraising efforts should be organized into several programs. These are:

1. Board giving program
2. Annual membership program
3. Major donor program
4. Special events program
5. Planned giving and bequest program
6. Grants program (local, state, federal agencies and private foundations)
7. Businesses and corporate foundations program

These activities must be coordinated centrally through the Executive Director’s office. The office will be responsible for most programs, and will provide support and assistance as required for others. Each of these programs will vary in the amount of needed effort and expense, and will generate different returns. All are important to the overall success of fundraising, for varying reasons.

A cost vs. return matrix shows where most attention should be focused to generate maximum returns. “Cost” includes expenditures of both effort and dollars. Programs are located on the matrix relative to each other, i.e. they are ranked from least cost to most cost, and from generating the least amount of income to the most.



Goals:

3. Major Donor Program

The term “major donor” refers to individuals who give considerably more than the average. For the GRCL, the amount that makes a person a major donor is a minimum of \$1000, but all major donors should eventually give at the \$5000 or greater level. There is significant potential in the community, especially in the Crested Butte/Mt. Crested Butte area, for a large group of major donors to become committed financially to the GRCL.

Goals:

- ◆ Generate at least \$30,000 from major donors in 1999, with increases of 25% per year thereafter.
- ◆ Move major donors up the “giving pyramid” by increasing the median major gift each year.
- ◆ Use major donors as a source of grant matching funds where appropriate, by eliciting pledges of continued support for a period of years.
- ◆ Use major donors as a resource for contacts and strategies that will assist the Corporate Program.
- ◆ Provide major donors with a variety of opportunities to give, including special events, bequests, life insurance policies, or other planned giving methods.

Responsibilities:

Primary responsibility for the success of the Major Donor Program rests with the Development Coordinator, supervised by the Executive Director.

Tasks:

1. Keep records of the giving history of each major donor.
2. For donors who give substantially more than the minimum major donor amount, keep regularly updated background information, including:
 - a. Family connections
 - b. Schools attended
 - c. Position in business or profession
 - d. Civic affiliations and offices held
 - e. Social affiliations
 - f. Civic activities

This information can come from reference works and other sources, such as magazines and newspapers.
3. Compile a list of present donors and prospects who might become donors. Peruse donor lists from other local nonprofits to locate names.
4. Ask major donors about leverage their donations through matching gifts from their employers or companies.
5. Create and carry out a plan and schedule of activities to reach out to present and prospective major donors before and after asking for major gifts. Include:
 - a. Newsletters
 - b. Personal letters providing updates on GRCL activities
 - c. Invitations to special events

4. Special Events Program

Goals:

- ◆ Hold two special events in summer and two in winter.
- ◆ Use special events to provide various segments of the community with an opportunity to support the GRCL.
- ◆ Increase donations to the Annual Membership Program and the Major Donor Program as a result of special events.

Responsibilities:

Primary responsibility for the Special Events Program rests with the Development Coordinator, supervised by the Executive Director.

Tasks:

1. For each event planned:
 - a. Set a net fundraising goal
 - b. Set other goals, such as desired number of participants, involvement of community leaders, extent of news coverage
 - c. Draw up a budget of estimated costs
 - d. Compare funds spent on the event with the net funds received
 - e. Compare actual net results with the goal
 - f. Consider previous year’s costs and net results in making plans for repeat and/or new events
 - g. Assemble volunteer committees if needed
 - h. Ensure funds are on hand to meet all anticipated pre-event costs.
2. Plan a calendar of events for the year that doesn’t conflict with other groups, especially those that might attract the same people.
3. Generate a budget for the Special Events Program that is a discrete and identifiable part of the overall fundraising budget.
4. Develop a system to identify attendees at special events, so they can potentially participate in other fundraising programs, such as the Annual Membership Program, the Major Donor Program, or the Planned Giving Program.
5. Evaluate program progress.

Timeline for Special Events Program:

Task	1999						2000												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Individual event planning																			
Plan annual event calendar																			
Generate budget for program																			
System for attendee capture																			
Evaluate progress																			

5. Planned Giving and Bequest Program

Bequests are the simplest form of planned giving. Providing the opportunity to members and other supporters to remember the GRCL in their wills is the most straightforward way of

securing future donations. Making the GRCL the beneficiary of life insurance policies is also relatively simple to do and to encourage. Advancing to other types of planned giving, such as annuities, charitable remainder trusts, etc., requires a far greater investment of time and money but, in time, can produce results that are proportionally greater.

Goals:

- ◆ Provide opportunities for the GRCL to receive future bequests by being included in the wills of supporters.
- ◆ Provide information and opportunities to supporters to include the GRCL as a beneficiary of life insurance policies.
- ◆ Encourage a board member or other volunteer to gain expertise about more complex planned giving techniques.
- ◆ Have every board member make a planned gift, in order to learn the process personally.
- ◆ Secure potential gifts of at least \$10,000 during the first year of this program, with a 25% increase annually thereafter.

Responsibilities:

The Executive Director should be responsible for providing the basic opportunities for receiving bequests and life insurance benefits. The more complex aspects of planned giving should be undertaken by a trained board member or other professional volunteer. Alternatively, an outside source could be found to fund a three-year program, and a consultant hired who would report to the Executive Director.

Tasks:

1. Encourage all board members to include the GRCL in their wills.
2. Include simple forms of bequest in occasional newsletters, annual reports or other publications as appropriate.
3. Send current individual donors at least one letter a year suggesting that a bequest is a way of assuring continuing support.
4. Provide information about including GRCL as a beneficiary of life insurance policies in appropriate mailings.
5. Review donor records to determine which donors are likely to be interested in other kinds of planned giving such as life insurance, annuities and trusts.
6. Explore the possibility of establishing a full planned giving program. One way to do this is by having board members make a planned gift personally, to evaluate both the process and the potential for GRCL.
7. If a planned giving program is approved, set up a board subcommittee on planned giving and provide staff support for that committee.
8. Review the various possibilities and agree upon a step-by-step planned giving program, offering both life income and estate planning. Include in the program:
 - a. Guidance of legal counsel on trustee duties and management requirements of various kinds of offerings
 - b. Compilation of prospects lists
 - c. Training for person(s) who will solicit planned gifts
 - d. Cultivating individual prospects
 - e. Preparing materials for various kinds of planned gifts

- f. Holding individual and group meetings to acquaint prospects with opportunities. Have outside professionals offer seminars to which major donors are invited.
 - g. Having readily available skilled assistance to individuals who have specific objectives for their planned giving
 - h. A budget that includes cost of staff time, legal and consultant fees, materials production, mailings, conferences, travel and general overhead
9. Secure the funding to meet estimated program costs for three to five years, since a new planned giving program is not expected to show a net return on invested funds for several years.
 10. Evaluate program progress.

Timeline for Planned Giving and Bequest Program:

	1999			2000														
Task	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Encourage board bequests				■												■		
Include bequest forms in mailings						■						■						■
Send bequest forms					■												■	
Life insurance beneficiary forms					■												■	
Review donor lists			■												■			
Explore giving program potential				■														
Set up planned giving committee					■													
Develop plan and budget						■												
Secure funding							■	■	■									
Evaluate progress						■						■						■

6. Grants Program

This program includes all activities related to the seeking of grants from local, state or federal agencies, or private foundations. However, very large grant requests made as part of the Corporate Program are not included herein.

Goals:

- ◆ Sustain and increase annual support from current granting sources (GOCO, FPP, NFWF, GCLPT).
- ◆ Develop new granting sources that are appropriate to the mission of the GRCL. Do not design new programs simply because funding opportunities are available.
- ◆ Accomplish all applications, negotiations, transactions, diligence work and reports for granting organizations with complete professionalism, promptness and courtesy.

Responsibilities:

The Executive Director should oversee the Grants Program, with assistance from appropriate staff. Decisions to apply for any specific grants must be made and approved by board resolution.

Tasks:

1. Seek formal board approval that:
 - a. It is appropriate for the GRCL to seek and accept specific government grants (local state or federal) or foundation grants.
 - b. If a grant is received, the GRCL will commit to maintaining the records that will enable the required diligence and reports to be accomplished.
2. Become familiar with resource materials relating to grant opportunities, such as local, state and national foundation directories, the files at branches of the Foundation Center, the Federal Register, and materials and advice from legislators or government executives.
3. Keep files for each foundation or granting agency that supports the GRCL that include correspondence and other data such as:
 - a. Annual reports
 - b. Up-to-date grant application guidelines
 - c. Special interests and restrictions
 - d. Current information on foundation staff and board members
4. Assemble comparable information for foundations or granting agencies that might be approached in the future.
5. Use file information to develop an approach designed specifically for each opportunity.
6. Check with GRCL board and staff before approaching a grant opportunity to see who might be able to provide a personal contact with a board or staff member of that agency.
7. Provide reference materials and training opportunities to GRCL staff who will be writing grants.
8. Create a grants fundraising plan that includes:
 - a. dollar-amount goal for general support from grants
 - b. dollar-amount goal for special project support from grants
 - c. list of foundations or agencies, including person to approach, to be asked for renewal or increase in general support

7. Businesses and Corporate Foundations Program

This program targets large contributions made directly by businesses or corporate foundations for the purpose of purchasing development rights from interested ranch families.

Goals:

- ◆ Create a “Conservation Easement Fund” in which significant donations can be invested until enough is accumulated to accomplish easement purchases.
- ◆ Generate a matching fund opportunity for corporate contributions to protect specific targeted areas, eg. Ohio Creek Valley, East River, Tomichi Creek, etc.
- ◆ Compile targeted information about corporate giving opportunities based on local contacts or on corporate interest in various aspects of land conservation.
- ◆ Raise \$20 million from this effort by December 31, 2000.

Responsibilities:

The Primary Fundraising Consultant should be responsible for the success of this program, working closely with the Board President. Board members are expected to support this program at every appropriate opportunity. The Executive Director is to be kept closely informed of the progress of this program, and to provide operational assistance whenever required.

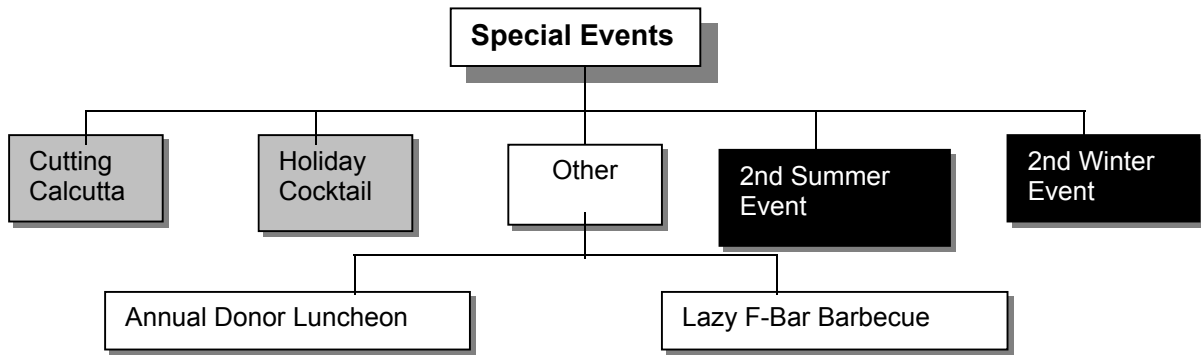
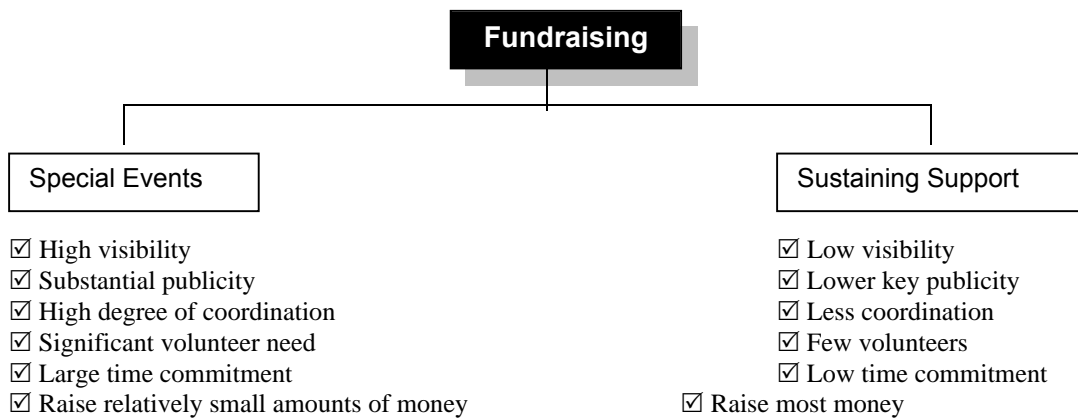
Tasks:

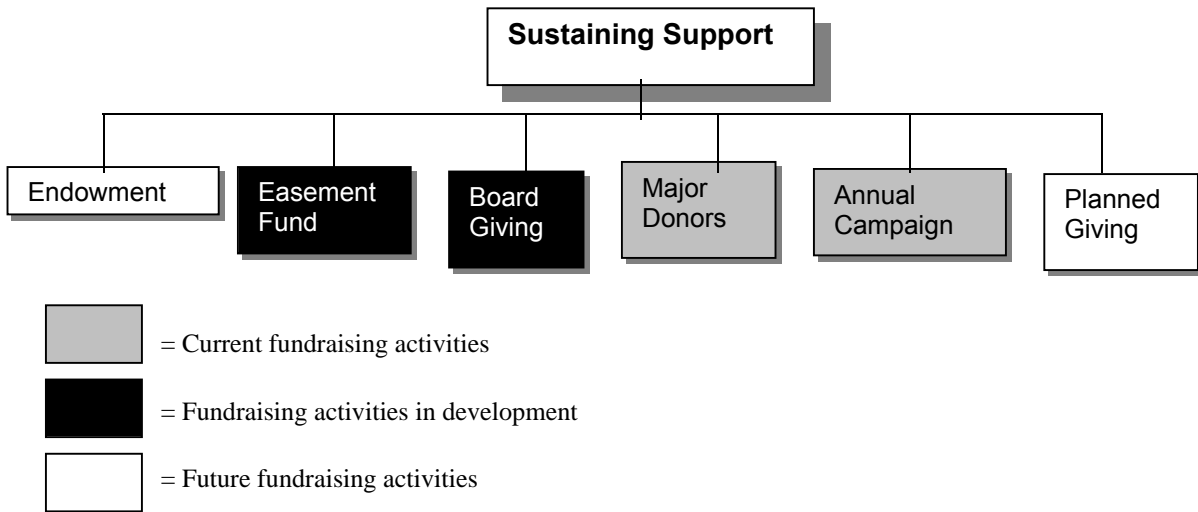
1. Assemble information about business and corporate foundation possibilities that would be appropriate contacts, and make a targeted list. Contact:
 - a. GRCL board members to brainstorm about people and connections specific to their corporate donation potential
 - b. Major donors for the same information
 - c. Community supporters (bankers, investors, developers, realtors) who might have connections that could lead to a corporate supporter
 - d. Known corporate prospects directly
2. Set up board committee with advisors to generate banking structure and investment plan for the “Conservation Easement Fund”.
3. Develop supporting materials needed to solicit donations for this program, including:
 - a. Unaudited or audited financial reports
 - b. Mission and goals statement for short-, medium-, and long-term objectives
 - c. Strategic plan for three to five years
 - d. Annual report
 - e. Case statement
 - f. Investment plan for the Conservation Easement Fund
4. Develop plan for this program that includes:
 - a. Dollar amount goals for each corporation
 - b. Timetables for making corporate approaches
 - c. Record-keeping system
 - d. Acknowledgment system
5. Develop a budget for this program.
6. Make contacts with selected corporate executives.
7. Negotiate donations.

Conclusion

This strategic fundraising plan should be reviewed and approved, all or in part, by the board of the GRCL, with input from the Executive Director and staff. A complete fundraising effort would include all seven programs initially. Dropping one or another segment of the complete plan could leave some potential donor market untapped. Every component of this fundraising plan, if successful, resonates with granting agencies as an indication of the overall support for the concepts and activities of the GRCL.

The goal of a successful fundraising strategy is to generate a steady and increasing revenue stream to support the mission of the GRCL. One way of looking at fundraising is to categorize efforts as offering one-time or sustaining support. For success, a mix of each type of effort is required. The following chart summarizes current and proposed programs:





Once plans and budgets for each program are developed and approved, progress should be evaluated by the board every six months. Programs that are not on track can be adjusted with regard to process, expectations or cost, and those that are not productive can be dropped. After 18 months of working with these fundraising programs, the strategic fundraising plan should be revised. Based on experience gained during the initial 18 months, a strategic plan depicting 1-year, 2-year and 5-year milestones should be developed with more sophisticated assessments of those strategies that should succeed.

Attachments

1. A Donor Bill of Rights
2. Why Donors Give and What They Want from Nonprofits