

# TOP TEN FUNDRAISING FEARS & SMART SUGGESTIONS



Fundraising is the #1 concern keeping librarians up at night according to a recent national survey conducted by *Library Journal* magazine and MS&R Architects. It beats out securing community approval and construction management nearly 2:1. Since fundraising is the first critical step in any construction process, we decided to address it in our first Top Ten Q&A. To ensure that we provided insightful advice, we enlisted the help of Library Strategies, a consulting group associated with The Friends of the Saint Paul Public Library.

## 1. WE JUST SIGNED THE CONTRACT TO BUILD A NEW LIBRARY. NOW, WHERE'S THE MONEY GOING TO COME FROM?

**A.** There are several sources of funding that are traditionally tapped to support building a new library. City, county or other local public funding is usually a major source of support. These funds may come from bonds, tax levies (such as sales tax), or budget line items (often from General Obligation Indebtedness).

Private funding can come from foundations, corporations and individual donors. Raising funds from private sources usually entails a capital campaign.

## 2. IF WE'RE GOING TO RAISE PRIVATE MONEY, WHEN SHOULD WE START AND HOW LONG WILL THE WHOLE PROCESS TAKE?

**A.** Conducting a capital campaign usually takes 2-3 years to complete. The first step is traditionally a feasibility study - which can, under normal circumstances, be conducted in 4-6 months. A feasibility study is conducted prior to a campaign to determine how much money a library can predictably raise. A feasibility study also helps identify major donors (individuals, corporations and foundations) and provides valuable information about how best to frame a capital campaign.

In a feasibility study, fundraising consultants work with your board, staff and community leaders to create a case for your library's vision that is presented to key funding sources in your community during personal, confidential interviews. The consultants then analyze the data and present a report that assesses the "feasibility" of a specific campaign goal and provides direction for conducting the capital campaign.

If the feasibility study indicates that your goal is "out of reach," it is not advisable to proceed with a capital campaign. Individuals who participate in the study will give their reasons for being unwilling to support a campaign. The library would then have to take the time to address the issues raised and when this is done, move ahead with a capital campaign at a later date.

The capital campaign is done in two phases: a leadership gifts phase when significant donors are solicited and a target of 60-75% of the campaign goal is raised (this generally takes place over a year to 18 months) and a "public phase" when the general public participates in the campaign. The public phase may take an additional year.

## 3. I'VE GOT A FRIENDS GROUP THAT RAISES \$5,000 ANNUALLY IN BOOK SALES. HOW WILL THEY RAISE MILLIONS OF DOLLARS FOR A CAPITAL CAMPAIGN?

**A.** Many Friends groups do not have the capacity to raise millions of dollars. Most are very good at supporting their libraries through special fundraising activities and some conduct annual campaigns but it takes a lot of time and influential volunteers to conduct a capital campaign. A campaign provides an opportunity to identify and involve new fundraising leadership and there are options for doing this.

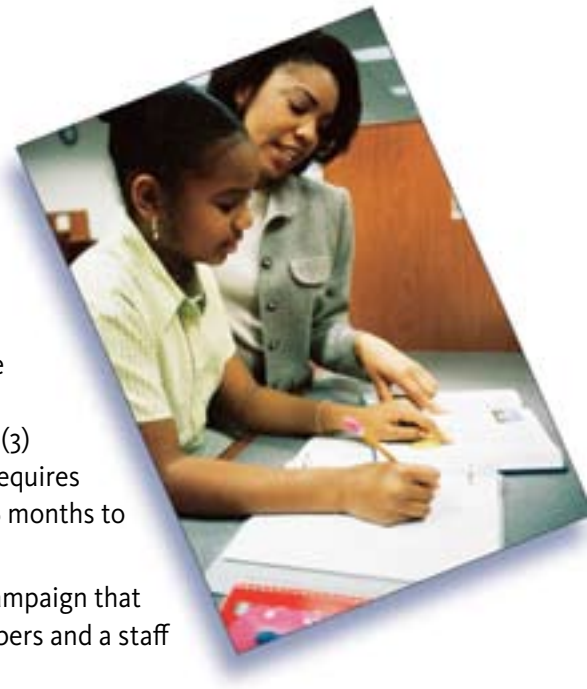


One option is to use a capital campaign to “beef up” your Friends organization by recruiting volunteers to the board with fundraising skills and connections.

Another option is to create a library foundation, which not only solicits major gifts for the campaign but is also a valuable asset in future activities such as annual giving, corporate sponsorship, special events and ongoing individual donor cultivation.

The foundation, or your Friends organization, can serve as the fiscal agent for the campaign. There are pros and cons to each of these options. Whichever course the library chooses to take, it is important that there be an organization with nonprofit status because donors are more willing to contribute to an organization with a 501(c)(3) charitable organization status, than a government entity. Applying for this status requires filing a request for nonprofit status, which is a fairly simple process but requires 3-6 months to complete.

Whichever option your library chooses, it is critical to the success of your capital campaign that you have the most effective fundraising structure in place, high-caliber board members and a staff position dedicated to fundraising.



#### 4. WHAT SHOULD BE INCLUDED IN OUR CAPITAL CAMPAIGN FUNDRAISING GOAL?

**A.** The majority of the money for the library building itself usually comes from public funding. Raising funding for the capital campaign can extend beyond the walls of a new library building. Although there are instances where the capital campaign contributed to the library building, private funding is usually solicited for special projects and enhancements within the library. For example:

<b>PROJECT</b>	<b>COST</b>
Children’s Reading Room	\$ 100,000
Public Art	\$ 50,000
Landscaping	\$ 50,000
Teen Homework Center	\$ 100,000
Expanded Collections	\$ 300,000
Community Auditorium	\$ 400,000
Endowment for Future Needs	\$ 1,000,000
Fundraising Counsel & Other Capital Campaign Expenses*	\$ 140,000
<b>CAMPAIGN GOAL</b>	<b>\$2,140,000</b>

\* *It is acceptable practice to fold fundraising costs into a capital campaign goal. This includes fees for a feasibility study and conducting the capital campaign (usually 5-7% of the campaign goal) and other costs associated with the campaign (campaign coordinator, campaign materials, events, etc.)*

#### 5. HOW WILL WE KNOW IF WE’LL BE SUCCESSFUL IN RAISING PRIVATE MONEY?

**A.** During the feasibility study, consultants work with a team from your library staff and board whose job is to put together the list of projects that might be included in a capital campaign. This team also helps shape a presentation for study interviews and identifies and recruits key individuals in the community to participate in the study.

Based on the list of projects identified and the associated costs, the consultants “test” a capital campaign goal during these interviews. To do this, they present study participants with a scale of the number and size of gifts needed to reach the campaign goal. When the interviews are completed, the consultants present a report to the team indicating the likelihood of receiving donations at the various gift levels, as well as individuals who might lead volunteer fundraising efforts for the campaign. The report also makes specific recommendations for creating a compelling case for support and coordinating a successful campaign.



## 6. WHO ARE ALL THE PLAYERS IN A CAPITAL CAMPAIGN?

**A.**

Lots of people have a role in a capital campaign and it is critical to a campaign's success that all the key players are in place and know their roles.

### **The Players**

### **Their Role in the Capital Campaign**

#### **Library Director**

The library director is the “voice of the library.” It is not his/her job to ask for contributions, but the library director is a key player in all parts of the feasibility study and capital campaign, providing information on the library and the community and often accompanying volunteers when they solicit major gifts. The library director participates in all campaign events held during the public phase. The director should be prepared to spend 25-30% of his/her time working on the campaign.

#### **Fundraising Consultants**

Fundraising consultants can play two critical parts in a successful fundraising effort. They design and conduct a feasibility study, providing objective information to direct the campaign. A feasibility study cannot be conducted by “insiders” – an objective “outsider” provides perspective and encourages participants to feel confident discussing their thoughts on a campaign. Fundraising consultants can also direct your capital campaign. This entails working with a campaign steering committee, drafting the campaign case statement, training volunteers and providing counsel and direction to the campaign until it is completed.

It is acceptable practice to include the cost of fundraising (including consultants, producing materials that support the campaign and other fundraising activities) in the capital campaign goal.

#### **Capital Campaign Steering Committee**

The steering committee is the backbone of a capital campaign. It is composed of knowledgeable and influential individuals from the community. Their job is to assist fundraising consultants in creating the case statement. They will identify and solicit major donors and participate in major campaign events.

#### **Friends/Foundation**

Friends and foundation members provide much of the volunteer effort in a capital campaign. Because they are familiar with the library and its plans, they may serve on the feasibility study team, or even the capital campaign steering committee. Their members may solicit major donors (along with other key individuals recruited for that task), coordinate capital campaign events and serve as ambassadors for the library during the campaign.

A library foundation, or friends group, can serve as the fiscal agent for the campaign, receiving gifts, managing donor files and reporting on the campaign's progress.

#### **Capital Campaign Coordinator**

Many capital campaigns are supported by a part-time coordinator who staffs the campaign. The coordinator calls all meetings, helps produce materials, schedules solicitation visits, manages the campaign database, coordinates events, acknowledges gifts and provides support in all aspects of the campaign.

#### **Other Volunteers**

Volunteers can support the campaign by soliciting donors, working on campaign events, providing support to the capital campaign coordinator and other tasks that help the campaign run smoothly.

## 7. WHAT ROLE DOES OUR ARCHITECT PLAY IN ALL THIS?

**A.** The architect and his professional team can play an important role in helping the public in general, and the potential donors, in particular, to understand the design and functional vision of the library and fiscal needs associated with that vision. In addition, the architect can conduct community meetings where individuals can express their concerns about and aspirations for the new library. If there is funding, it is important to hire the architect at the beginning of the fundraising process. This will ensure that the fundraising effort is based on a realistic scope of the project, including the size, site location, design and project budget. If there are limited funds, often the architect can provide adequate assistance without having to complete a full design by using examples of other similar library projects and adjusting them for the particular community.

## 8. HOW DO WE “SELL” THE IDEA OF A NEW LIBRARY BUILDING?

**A.** Every community is unique in its character, citizenry, social and economic profile. And since libraries are at their best when they reflect their community, the process of determining exactly where the library should be placed, what it should look like and contain and how much it should cost is critical to any efforts at fundraising. By including the public in the process of shaping the library, the possibility of success will increase. Effective ways to ensure participation and inclusion are through public meetings and forums that explore design options, solicit public ideas, and offer the public a chance to participate in the design through hands-on workshops. Your architect can translate these community aspirations into design ideas that then can be used in drawings and models for marketing tools. These tools include brochures, dedicated web-sites, video for release to local TV stations, and email campaigns with embedded images of the new library.

## 9. I DON'T KNOW MUCH ABOUT CAPITAL CAMPAIGNS. WHAT DO THEY LOOK LIKE?

**A.** As discussed above, the first step in a successful capital campaign is the feasibility study. If a feasibility study shows potential for a successful capital campaign, the next step is creating a Steering Committee, whose job is to work with fundraising consultants to establish a workplan and timeline for all activities and serve as advisors throughout the campaign, as well as solicitors of major gifts.

Fundraising consultants work with this committee and library staff to draft a compelling case statement that presents a “snapshot” of the library and its position as a major asset in the community. In this pre-campaign phase, all campaign materials are designed and produced.

In the silent phase of a capital campaign, major donors are identified and solicited. This will include individuals, corporations and foundations that are solicited during personal visits from steering committee members and other volunteers. Library staff and/or the capital campaign coordinator may submit grant requests to appropriate foundations. Raising the majority of the needed funding in this phase usually assures that the campaign goal will be met. This phase can last from 9-12 months.

The public phase usually begins with a kickoff event announcing the capital campaign. This is the opportunity to share the library's plans for the new library with the general public. The public phase includes a direct mail solicitation and other opportunities for everyone to contribute to the campaign – ensuring that it is the community's library.

Individuals and corporations can make gifts and/or pledges to the campaign. A pledge is usually completed over the course of 2-5 years.

It's important to think about a capital campaign as opening the door to future library fundraising. Donors to a campaign should continue to be solicited annually and through special events that support the library.

## 10. HOW DO WE THANK PEOPLE FOR GIVING US MONEY?

**A.** Recognition of major donors can occur through naming opportunities. If there are significant projects in the capital campaign (rooms in the library, collections, special features, etc.) donors may elect to have a project done in their name or as a memorial or tribute to someone else. “Donor walls” or other visuals in the library can list the names of donors at significant levels. All donors, whatever the size of their gift or pledge, receive a thank you letter and acknowledgement of the tax-deductibility of their contribution. It is also appropriate to have a major community event to celebrate the end of a successful capital campaign.