

## Capital Campaign Questions and Comments

*By the Capital Campaign Leadership Team*

Now that we have progressed from phase one of the capital campaign, which focused on lead gifts of \$5000 or above, we are into the membership phase of the campaign. In this phase members will see monthly articles in the Bulletin and additional information on the Mazama Web site to keep you updated on the progress of the campaign. These articles may focus on questions or comments we hear from members, exciting news or simple progress reports. This month's article focuses on a few questions that the capital campaign task forces have been asked by members. We thought that if one person is asking, others might have the same questions.

*Q. Are cash gifts separated from pledges when reporting the total that has been raised? How much actual cash has been raised?*

A. Our campaign is being run like other capital campaigns in that the total of all gifts is reported in a sum which you can find on the Web, on the mountain progress poster (a climber's version of a thermometer) in the MMC lobby and on the front page of the Bulletin. In our administrative records, however, gifts are organized in the three categories found in most fundraising campaigns: cash, pledges, and in-kind/pro-bono gifts. In-kind is when people give things, such as food for a fundraising event; Pro-bono is when a professional gives their services, such as our architect giving many hours of her service at no cost to Mazamas.

As of June 18, 2007 the following has been raised: \$802,340

Cash: \$532,448

Pledges: \$257,677

In-kind/Pro-bono: \$12,215

Many people prefer to give their gifts over time, enabling them to give more. So while we could report only cash in hand, that would not be reflective of what we anticipate receiving over the five years that people have to pay off their pledges. We're forecasting 98% payment on pledges, which is the average in fundraising.

*Q. Are estate gifts being credited toward our goal of \$1.75 million?*

A. No. Estate gifts are generally not counted in the total sum or credited toward the goal in a capital campaign, but will be used to pay for the purchase and renovation of the building, as well as for future maintenance and operating costs depending upon *when they are received*. Some of these gifts may come in soon and help pay for the building while others, we hope, will not arrive for many years. Because we cannot predict when these estate gifts will "mature" they cannot be counted in the goal.

The total for estate gifts is currently \$819,000.

*Q. How is our record keeping being managed? Is the IRS going to look at our large influx of money? Has staff been added for the campaign?*

A. As capital campaign assistant, Lee Davis works about 15 hours per week planning fundraising events, assisting committees and tracking all of the gifts with special fundraising software that was purchased when the campaign started. We also now have a professional accountant, Melinda Pittman, who works 10-12 hours a week managing both the Mazama general fund and capital campaign accounting records. Melinda and Lee reconcile totals weekly to make sure the fundraising software information and Mazama's records match. Capital campaigns and the additional funds raised are common for nonprofits. We are complying with the IRS and state regulations and have the appropriate reporting processes in place. Melinda assures that we comply with these processes so the increased income is properly identified and reported in our annual audit and to the IRS.

There is a misconception that office staff has been increased over the last several years. The only regular staff positions that have been added since Keith Mischke hired John Godino in December of 2000 is Melinda (10-12 hours per week), who was hired to reorganize and improve our accounting practices to ensure they are Generally Accepted Accounting Practices per state and federal regulations. 15 hours have been temporarily added to Lee's hours as capital campaign assistant. Lee and Marty Hanson are splitting the hours that John Godino worked in Membership Services and are working no more total hours than John did. The net increase in regular staff hours since 2000 is only 10-12 hours.

*Q. Who has given and who might give?*

A. Check this year's Annual for a list of donors in our 2006 fiscal year. At this point 367 people have given to the campaign. This number may seem relatively low but remember that until February we were in the first phase of the campaign in which our fundraising volunteers individually asked those members who were thought to be willing and able to give a lead gift of \$5000 or more. This tiered fundraising approach is standard practice for capital campaigns. Some people have already given less than lead gifts and soon, with the membership portion of the campaign getting into full swing, you will see donor numbers increase dramatically. In February, co-chairs Pat Cook and Brad Chaddick kicked off the membership portion of the campaign that will run until the end of 2007. During the membership campaign you will hear and see much more about the campaign through the Web site, Bulletin, mailings and events. We also suspect that there are many more people who can give a lead gift. We're constantly being surprised by large gifts from people we had no idea could give at the lead level. One of the challenges with this campaign is that a person's income is rarely something Mazamas talk about. Since we have not done a campaign of this size in the past we have no way of knowing who might have the desire and resources to give. There are several ways to look at giving. One way, for instance, is if 50% of our members pledged \$148 per year for five years (\$12 per month!) we would easily reach our goal of \$1.75 million. Don't forget that we're also asking foundations and corporations to give. We believe that Mazamas and our larger outdoor community will embrace the excitement of the Mazama Mountaineering Center and support our *Reaching New Heights* campaign.