



MORRO BAY
NATIONAL
ESTUARY
PROGRAM

June 16, 2003

Tim Jones
US EPA, Office of Wetlands, Oceans and Watersheds
1301 Constitution Ave, NW Room 7217 H
Washington, DC 20004

Dear Tim,

Enclosed is a brief summary report on the financial planning we've done to date, as well as the draft plan we've developed with a consultant and a "task force" of leaders in our program. We've taken the approach of targeting an annual amount needed to continue various aspects of CCMP implementation at relatively high levels of activity. We assume that our current sinking fund (about \$3.0 million) will be drawn down through 2009 (a condition of the agreement that originally directed the funding to our non-profit); that these funds will continue to effectively leverage large amounts of State bond funds for large scale land acquisitions, conservation easements and restoration projects; that CWA 320 funding will continue, but at diminished amounts; that we will continue to target relatively small grants from the State and private foundations to augment our education and outreach projects; and that we will need to gradually grow our private sector contributions to cover a greater share of operations and restoration work. We've developed a schedule of projected amounts by different sources for the next five years that we feel is realistic.

Another important variable that won't be known for several months is whether or not a major power plant project will be approved subject to the payment of a large mitigation fee toward CCMP implementation. The issues surrounding the case are complex, but presently, both the California Energy Commission Presiding Committee and the staff of the Regional Water Quality Control Board – the two agencies that must approve the application – are recommending approval subject to a habitat enhancement program. The applicant has already agreed to a \$12.5 million estuary/watershed restoration fund if the project is approved. The RWQCB staff is recommending an even higher amount. Final hearings and decisions aren't scheduled until October or later. We are proceeding with our planning at this time under the assumption that no funding will be forthcoming from this source, but obviously, this action could alter our plan significantly.

Thanks.

Mike Multari

C: Nancy Laurson, Cheryl McGovern

Morro Bay National Estuary Program
Financial Planning Summary
June, 2003

BACKGROUND

The Morro Bay National Estuary Program is funded through several sources. The Bay Foundation, a not-for-profit corporation is bursar to the program and has approximately \$3.0 million in a special fund earmarked specifically for implementation of the CCMP. This money came from a utility company through a consent decree worked out with the Central Coast Regional Water Quality Control Board. The terms of the agreement require these monies to be allocated by 2009. They can be used only for specified implementation purposes, and cannot be used for either administration of the program or for education/outreach (E&O) projects.

The MBNEP receives most of its funding for administering the program and for E&O projects from a CWA 320 grant from the US EPA. While recently the Congress has provided funding for as much as \$510,000 per year, we have concerns about the sustainability of this level in light of other competing federal priorities.

The CWA 320 grant is supplemented by grants from the State of California and private foundations, and from private donations and contributions. In addition, a Volunteer Monitoring Program is presently funded by a CWA 319 grant which will end December 2003.

Thus, the following reasons argued for planning now for the program's long term financial sustainability: 1) depletion of consent decree funds by 2009; 2) completion of the CWA 319 monitoring grant in 2003; 3) concerns about smaller CWA 320 grants into the future; and 4) stresses on the State budget for grant programs (apart from those supported by large, recent bond measures). The plan intends to utilize private funds to supplement public monies to support preferred levels of activities, and to build an endowment to provide future operating funds.

In 2001, the MBNEP worked with Conservation Impact, a strategic planning firm, to identify its major funding priorities. A critical recommendation coming out of that work was to retain a consultant to assist the program in developing a more detailed financing strategy. The program selected Netzel Associates, a well-known consultancy in this field, to assist with the planning. Enclosed is a draft of the plan recommended by Netzel and reviewed by a Finance Task Force. The MBNEP Executive Committee and the Bay Foundation board of directors will also review the plan later this summer.

NEEDS

The MBNEP first categorized its annual implementation needs by general functions. This was done in recognition that certain funding sources can only be used for specified purposes. This approach also recognizes that implementation is a long term, incremental process; that most of the programs action plans are ongoing into the indefinite future; and that, therefore, setting annual amounts reflecting the capacity of the program is a better approach than trying to estimate funding for the "completion" of all the CCMP action plans. The following lists those general implementation functions by projected annual needs:

Category	Amount	Notes
Land acquisition and conservation easements	\$400,000	This is MBNEP's estimated need for projects undertaken by itself or, more usually, as leverage for State, and sometimes federal, funds
In-field restoration and pollution reduction projects	\$200,000	Again, this is MBNEP's estimated need for projects, in the watershed, for which it is primarily responsible, or for which it will leverage much larger funding partnerships
In-bay projects	\$200,000	These are for projects specifically aimed at enhancing habitats in the bay; they are expected to be done in large measure as local sponsor to the ACOE pursuant to a habitat enhancement project currently underway
Monitoring	\$200,000	This includes development of baselines and trend analysis of environmental indicators, and utilizes an extensive volunteer program; also includes costs of staff for monitoring program
Education and outreach	\$100,000	Includes an E&O coordinator and local E&O mini-grant program.
Administration	\$200,000	Rent, equipment, and administrative staff, etc.
TOTAL	\$1.3 million	

It should be noted that depending on the particular needs and opportunities of any given year, the MBNEP may move the amounts from one category to another. Also, the program can effectively function with less than this amount. However, \$1.3 million annually was seen as sufficient to fund implementation at a high-level, based on recent experience.

CURRENT FUNDING SOURCES

Based on FY 02-03, the following are the *approximate allocations* (that is, funds available -- not actual expenditures) from different sources:

Source	Amount	Notes
Bay Foundation Implementation Fund	\$600,000	This fund is presently at about \$3.0 million and is in a conservative portfolio. It must be allocated entirely by 2009. These contributions leveraged several million dollars for land acquisition and restoration work; it is the primary source of match for the in-bay project with the ACOE. These funds may not be used for administration or E&O.
CWA 320 grant	\$510,000	These monies are used primarily for administration, travel, E&O projects, monitoring and indicators work.
RWQCB match	\$60,000	Supports staff working on watershed projects.
CWA 319	\$100,000	This is used exclusively for monitoring work.
State E& O grants	\$70,000	These are highly variable from year to year; large amount in 02-03 reflects State support for new estuary visitor center.
Private grants and contributions	\$30,000	Largely for E&O projects, notably exhibits at the new visitor center and an informational booklet.
TOTAL	\$1.37 million	

LEVERAGING

In developing the financial plan, the MBNEP has recognized that implementation of many of the larger-scale CCMP Action Plans will require substantial funding beyond that directly raised or controlled by the MBNEP. These primarily involve land acquisition, conservation easements and large-scale restoration projects in the watershed. The MBNEP has developed a strong partnership with the State Coastal Conservancy and the Wildlife Conservation Board (the funding arm of the California Department of Fish & Game). This partnership has led to several successful acquisition and restoration projects in the watershed. Since adoption of the CCMP, the approximate leveraging ratio for these projects has been about 5:1 (comparing combined consent decree and CWA 320 funds to other funding sources). We expect a similar ratio to be maintained into the foreseeable future, but even at a greatly reduced ratio of 2:1, there would be well over \$2.0 million for implementation per year apart from administration – enough to maintain a high level of implementation work.

The largest in-bay implementation project (as differentiated from watershed projects) involves work being done with the ACOE. Presently, the MBNEP has set aside sufficient funds to

leverage the full \$1.6 million first phase of a major habitat enhancement project, by providing one match dollar for each ACOE dollar. In later phases (which will involve design and construction) the MBNEP will need to raise only 35% of the necessary funds. That later phase is not anticipated to start until 2005 (or later).

FUNDING SOURCES AND SCHEDULE

The following schedule of future funding sources is modified from the draft financial plan:

Sources	FY 03-04	04-05	05-06	06-07	07-08
Private Funding					
Major Gifts program	\$50,000	\$100,000	\$185,000	\$240,000	\$310,000
Direct mail	\$20,000	\$23,000	\$25,000	\$30,000	\$35,000
Special events	\$500	\$10,000	\$25,000	\$35,000	\$50,000
Foundation grants	\$20,000	\$23,000	\$26,000	\$30,000	\$35,000
Endowment earnings*	0	0	\$10,000	\$35,000	\$50,000
Bay Foundation funds	\$650,000	\$500,000	\$500,000	\$500,000	\$400,000
Public Funding					
CWA 320	\$510,000	\$325,000	\$250,000	\$250,000	\$250,000
RWQCB match	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
CWA 319**	\$50,000	\$100,000	\$100,000	\$100,000	0
State grants	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000
Totals (rounded)	\$1.4M	\$1.4 M	\$1.25 M	\$1.3 M	\$1.25M

* Assumes gradual development of an endowment through bequests to \$1.0 M in 07-08 and 5% annual earnings.

** Assumes successful pending application; if not awarded, alternative funds for monitoring program will be necessary.

APPROACH TO MEETING SCHEDULE

Private funding. A detailed financial development plan has been drafted (see enclosed). The final version of the plan is expected later this summer. It focuses on the strategy for raising private monies. A key element is the eventual hiring of a development director. It appears likely that we will retain a contractor to assist with the initial set up of the program (using non-320 monies), leading to hiring of that position in (possibly) FY 04-05.

Mitigation funds. This autumn, the California Energy Commission and the Central Coast RWQCB will be acting on a permit application by Duke Energy to modernize the existing power plant in Morro Bay. Preliminary recommendations put forth by both bodies include the payment of approximately \$12.5 - \$20.0 million toward habitat enhancement projects. The applicant has already volunteered to contribute the \$12.5 million figure. The State agencies and applicant acknowledge the CCMP as the overarching guide for the use of such funds, and thus, if the money becomes available, it will be directed toward CCMP action plans. It is not clear at this

point whether or not a fraction of the mitigation payment may be earmarked for operations of the MBNEP and E&O projects.

How this situation ultimately affects the MBNEP financially depends on several variables: final decision on the mitigation; the manner in which mitigation funds (if any) are used and administered; the amount of such mitigation and the schedule for dispersal; the willingness of the company to proceed with the project under these conditions; and the resolution of any legal challenge that may arise from the action. Based on these contingencies, the MBNEP is proceeding as if no funding from this source is forthcoming. However, if it does, it would significantly alter the financial plan.

Public funding. We have assumed the availability of CWA 320 funds over the next five years, but in declining amounts. Obviously, if Congress continues to fund the program at current levels, these projections will be conservatively low.

We have applied for a CWA 319 grant, with EPA Region IX support, for funding over approximately 3 years for monitoring. If this is not successful, then we will need to find alternative sources for this function. We are presently exploring both public grant programs and private foundations.

State grants noted in the schedule do not include those for major acquisitions but are for E&O projects and relatively small-scale restoration projects. Sources for the E&O grants are largely limited to the Coastal Commission's "Whale Tail" grants and similar programs (which the MBNEP has successfully tapped) and the State Coastal Conservancy which has already provided funds for the visitor center and may also for other purposes. State grants for relatively small-scale restoration projects have largely come from the Department of Fish and Game. We were awarded approximately \$100,000 this year which will be used for projects over the next two years. These programs are expected to continue into the foreseeable future.

(As discussed above, we have not included the total amounts for land acquisitions, conservation easements or large-scale restoration projects in the financial plan. Funds for those projects have been made available through recent multi-billion dollar bond approvals. The MBNEP has been able to leverage several million dollars for this purpose over the past few years, working closely with the Wildlife Conservation Board and the State Coastal Conservancy. Funding from these sources is expected to continue for at least the next few years.)

**MORRO BAY NATIONAL ESTUARY
PROGRAM**

***Financial Development
Plan***

June 2003

Presented by the

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MORRO BAY NATIONAL ESTUARY PROGRAM
Financial Development Plan

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MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Section I: Introduction

Planning Background

In January 2001, after four years of study and input from hundreds of individuals and organizations, the Morro Bay National Estuary Program issued a *Comprehensive Conservation & Management Plan (CCMP)* for Morro Bay. The CCMP outlines 61 “Action Plans” for addressing seven priority problems that are having harmful impacts on the Morro Bay National Estuary.

Having secured state and federal approval for the CCMP, Morro Bay National Estuary Program (MBNEP) leaders turned attention to strategic planning for the next stage of the organization’s development. Along with the priorities of providing coordination and monitoring for implementation of CCMP action plans, the following financial priorities were identified:

- ▶ Establish the long-term financial sustainability of the MBNEP.
- ▶ Build fundraising capacity to support implementation projects as needed.

The decision was made to craft a Financial Development Plan for the organization and the professional firm of NETZEL ASSOCIATES, INC. was selected to facilitate the planning process.

Key Objectives of the Planning Process

- ▶ Evaluate the MBNEP mission as it relates to fundraising.
- ▶ Evaluate the MBNEP case for support.
- ▶ Define the role of staff and volunteers in all levels of the MBNEP financial development program.
- ▶ Assess current methods of identifying and evaluating prospective donors.
- ▶ Define strategies for effective donor management and recognition.
- ▶ Recommend methods to expand and enhance the annual fundraising program.

Steps in the Planning Process

1. Research and Data Gathering

A specially selected task force of eight MBNEP volunteers and one staff member met to identify the strengths and weaknesses of the current financial development program and the issues that the planning process needed to address. The group also helped to define the case for support and select the individuals to be interviewed.

The NETZEL ASSOCIATES team reviewed and evaluated a variety of important areas related to MBNEP's current financial development program, including board structure, staff structure, financial reports and recent fundraising history and strategies.

2. Interviews

NETZEL ASSOCIATES conducted a series of 10 interviews with individuals selected and prioritized by the Financial Development Planning Task Force. Interviews were conducted in person using a common questionnaire format to record and compare responses. Sessions ranged from 30 to 90 minutes in length.

The interviewee group represented a nearly even number of individuals who are very familiar with the MBNEP and those who have limited knowledge about the organization. All were helpful, cooperative and giving of their time. Their responses to the interviewer's questions were very thoughtful and candid.

3. Evaluation of Data

The NETZEL ASSOCIATES team evaluated all information and data, drawing upon its professional experience with similar organizations and measured against proven fundraising principles and practices. The Planning Task Force assisted with the data assessment, providing a perspective based on members' knowledge of the organization's history, the communities in and around the estuary and the individuals who are or might be involved in the financial development program for MBNEP.

4. Presentation of Findings and Recommendations

NETZEL ASSOCIATES' conclusions and recommendations were presented to the planning task force for discussion and suggestions.

5. Development of Planning Strategies and Implementation Timeline

The task force reviewed NETZEL ASSOCIATES' findings, conclusions and recommendations and used them to craft the strategies and timeline for the final Financial Development Plan.

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Section II: Overview

Introduction

The purpose of this section is to present the findings of the planning assessment. It includes input from the Planning Task Force, the views of the interviewees and the results of the examination of all data provided by the Morro Bay National Estuary Program (MBNEP) to NETZEL ASSOCIATES.

Background

Efforts to protect and restore the Morro Bay Estuary actually began in the 1960s and many agencies and organizations have participated in these efforts over the years. In 1990, the California Legislature officially recognized the importance of the Bay and its watershed and supported the nomination of Morro Bay for inclusion in the National Estuary Program (NEP). This program was established by Congress in 1987, as part of the Clean Water Act for the purpose of identifying, protecting and restoring estuaries of national significance to preserve the valuable ecosystems they represent.

In 1994, the Governor designated Morro Bay as California's first State Estuary. Following extensive, long-term, grass-roots efforts, the Bay was accepted into the national program in October 1995. Today, the MBNEP is one of only 28 NEPs in the country and one of three in California.

A very important feature of the MBNEP is the fact that it is made up of many stakeholders, organizations, agencies and individuals concerned with the use and protection of the estuary and its watershed. One of the first responsibilities of the MBNEP was to coordinate the efforts of its many members in developing a Comprehensive Conservation and Management Plan (CCMP) for restoration and preservation of Morro Bay and its watershed.

The CCMP was adopted in 2001 after four years of research, debate and consensus-building. It was approved by the Governor in October 2000 and received formal approval from the United States Environmental Protection Agency in January 2001. The final plan includes 61 individual action plans, or specific projects. The next charge for the MBNEP is to coordinate implementation of the CCMP.

The MBNEP is governed by an Executive Committee composed of representatives of local political entities, state agencies and representatives of various interests. An Implementation Committee, made up of representatives of the various organizations and agencies involved with implementation measures in the estuary and watershed, advises the Executive Committee. Three work groups—Finance, Scientific and Technical, and Education and Outreach—provide input to the Implementation Committee as does a Task Force that is open to all interested parties. The purpose of the Task Force is to provide a

forum for sharing information and technical knowledge and reporting back to the community regarding progress on protection and restoration action plans.

Two close partners of the MBNEP are the Bay Foundation of Morro Bay and Friends of the Estuary. Both of these organizations were formed in 1986, charged with research and advocacy, respectively. The Bay Foundation acts as the bursar for MBNEP funds and the MBNEP Executive Director reports to the Board of the Bay Foundation and to the MBNEP Executive Committee. Two MBNEP staff positions—Volunteer Coordinator and Program Manager for the Volunteer Monitoring Program—are supervised jointly by the MBNEP Executive Director and the President of Friends of the Estuary. However, supervision of these positions will become the sole responsibility of the MBNEP Executive Director at the end of 2003.

During the planning phase to develop the CCMP, the MBNEP received funding from the National Estuary Program, under Section 320 of the Clean Water Act. The Act also authorizes funds for implementation projects, but individual NEPs are strongly encouraged to develop other funding mechanisms. In addition, the availability of 320 funds is uncertain because it depends upon continued Congressional support in the face of anticipated major stresses on the federal budget beyond 2004.

Funding is also available to the MBNEP from the Consent Decree Implementation Fund, also known as the Morro Bay Restoration Fund. This \$4 million fund was established by a 1997 legal settlement with a major utility company for use in funding CCMP implementation. Assets are held in a conservative investment portfolio, managed under the auspices of the Bay Foundation, with oversight by the Regional Water Quality Control Board. Decisions regarding the use of Consent Decree funds are made jointly by the Bay Foundation and the MBNEP Executive Committee with the approval of the Regional Water Quality Control Board.

The shift in focus from planning to implementation requires the MBNEP to play a significant role in oversight of the CCMP. It also places the MBNEP at the forefront of future efforts to protect the Estuary and watershed.

The CCMP anticipates that most action plans will be funded “through new federal, state and local sources to leverage the existing resources of the implementing agencies.” Many of these potential sources of funding, such as public grant programs and partnerships with private, non-profit conservation organizations, require local matching funds as part of the funding agreement.

The source of much of this funding is Consent Decree funds which are dedicated to leveraging funding from other sources by providing the required match. However, Consent Decree funds may not be used for operational expenses or for Education and Outreach programs. Under the terms of the agreement, all Consent Decree funds must be expended or allocated to specific projects by 2009.

The MBNEP funding base must be diversified to provide funding for operating expenses, including staffing and maintaining an office. Private funding is required for Education and Outreach efforts and for costs associated with coordination of the Volunteer

Monitoring Program. In addition, the MBNEP must rely on funds from private sources to support a portion of the costs related to various action plans. For example, the MBNEP shares in the expense of some land acquisition and conservation easement projects. It provides a portion of the funding for some field programs in the watershed such as erosion control projects, sediment traps and floodplain restoration, habitat restoration, and pollution reduction. Finally, the MBNEP participates in funding the In-Bay Habitat Enhancement Project to improve habitats in and around the Bay itself.

This Financial Development Plan is intended, over time, to strengthen the base of private support for the MBNEP as it moves into its next stage of development. The plan is based upon an assessment of the following areas from the perspective of proven principles and practices of nonprofit fundraising as well as knowledge of trends in charitable giving in the U.S. Section IV of the plan provides additional information on these principles, practices and trends.

Image

The image of an organization is extremely important to its fundraising success because people lend their support to organizations they believe to be effective, ethical and efficient. They want to be part of a winning cause in pursuit of a mission that is important to them on a personal level.

Interviewees were unanimous in their praise of the MBNEP and believe the organization has a very good image in the community. It is perceived to be well managed and professional. Even those who are not very familiar with the actual work of the organization view it as an important player in the effort to “protect a valuable resource.”

Representative comments:

“Their image is very favorable.”

“The program has stayed above politics.”

“Their leadership is very professional.”

Profile

Another important factor in successful financial development is an organization’s profile. The MBNEP needs to be well known among those individuals and groups who are likely to support its work. The organization’s mission, programs and achievements need to be broadly known and understood in order to garner philanthropic support.

While the MBNEP has an excellent image, the profile of the organization is considered low. Interviewees noted that many local residents are only vaguely aware of the MBNEP. Even among those who hold the organization in high esteem, many do not have a clear understanding of its work.

Representative comments:

“The MBNEP is not widely known.”

“The organization is not well defined in the minds of many people. One problem is the proliferation of environmental groups. It’s easy to get lost.”

“The community is not sure whether the MBNEP is a nonprofit organization or not.”

Programs

The fundraising results of any organization are affected by the number of people who value its programs and the public perception of the quality of those programs and services.

Individuals who are familiar with the MBNEP view the CCMP as “a very important document.” They credit the MBNEP for its successful coordination of so many opinions and interests and view the result as a remarkable achievement.

Some of those who are less familiar with the MBNEP also expressed positive opinions about its work, citing education and preservation as the most important services provided. However, several interviewees did not feel they were sufficiently informed to offer an opinion about the work of the MBNEP.

Representative comment:

“I have a general view of them that is very positive, but don’t really understand what they do, the goals they are seeking.”

Perceived Strengths and Weaknesses

Strengths

Asked to cite the particular strengths of the MBNEP, interviewees mentioned the following:

- ▶ The strong leadership provided by Mike Multari (mentioned quite often);
- ▶ The mission of the organization;
- ▶ Community ownership of the MBNEP mission;
- ▶ Successful completion of projects;
- ▶ Grant writing success;
- ▶ The prime location of the MBNEP offices.

Representative comments:

“They are spending time on the right things.”

“They do a good job of reporting back to the community and they keep focused on their goals and objectives.”

“It seems like the location of their offices could be a real asset to their fundraising.”

Review of the MBNEP’s history and current operations confirms the positive view of interviewees. The organization is well managed and governed. The roles of the Bay Foundation, the Executive Committee, staff and volunteers are defined and understood. From all accounts, the various groups and individuals are perceived as working together effectively. They maintain a strong focus on mission and exhibit a high degree of professionalism and dedication.

Weaknesses

Half of the interviewees cited low visibility as the MBNEP’s primary weakness. Some believe that a lack of awareness and understanding poses the risk of MBNEP being viewed as an adversary by some community interest groups. They also noted the strong impact that image and visibility have on fundraising efforts.

Only two other weaknesses were mentioned: 1) MBNEP does not control its own funding, but is dependent on “funds collected by others,” specifically Consent Decree funds; and, 2) more technical skills are needed on staff. A “research station” was suggested.

Current Financial Development Program

The current financial development program of the MBNEP focuses on specific projects such as construction of the visitor center exhibit, publication of education booklets, and printing of estuary maps. It includes the following components: public grants, foundation grants, corporate sponsorships, donations, dues and ticket sales for the annual Boat Parade. At present, there is no staff position with responsibility for financial development.

Fundraising production for 2001–2002 was as follows: (Excludes Section 320 funds and monies leveraged specifically for land acquisition.)

▶ Public Grants	\$56,110
▶ Foundation Grants	16,250
▶ Corporate Sponsors	10,200
▶ Donations (non-profit organizations)	1,990
▶ Other Donations	1,000
▶ Special Event (Boat Parade)	770

Half of the individuals interviewed as part of the assessment were not certain of how the MBNEP is funded, but most believe it is fully government funded. Those close to the MBNEP mentioned funding from the Environmental Protection Agency and the Consent Decree, but did not make reference to any private fundraising efforts of the organization.

When asked what the MBNEP needs to do to increase its level of private support, the following suggestions were mentioned most often by interviewees:

- Recruit a broad base of volunteers who will ask for charitable support.
- Create ownership in the organization by attracting many donors at the \$1,000 and above level.
- Add a financial development staff position.
- Create at least one annual signature special event.
- Develop a program to solicit the voluntary support of tourists.
- Explore the possibility of support through an increase in the occupancy tax.
- Educate visitors and local residents better about the *tangible results* of the MBNEP programs.

Representative Comments:

“They should put out a newsletter with wide appeal, one that is community-focused and not technical.”

“Recruit a base of volunteers who will ask for donations. People give to people.”

“Spend money on a really nice PSA and run it to death.”

“Do more with the Boat Parade.”

Perceptions of MBNEP Leadership

For a financial development program to be successful, prospective donors must believe in the ability and strength of the organization’s leadership. They must view the organization as well-managed, fiscally sound and able to withstand challenging circumstances.

In order to assess the perception of the MBNEP’s leadership, interviewees were shown rosters for the Bay Foundation Board of Directors and the MBNEP Executive Committee and asked a series of questions regarding the strength, level of influence and likely fundraising capacity of each body.

Morro Bay National Estuary Program Executive Committee

The MBNEP Executive Committee is regarded as the more diverse and influential of the two groups. Most interviewees recognize the names of most committee members and regard them as strong leaders. Opinions about the fundraising capacity of the committee are mixed.

Representative Comments:

"They are people who know people, but I cannot see them hustling to raise funds."

"It is a very coastal group."

"You can train anyone to fund raise."

The Bay Foundation Board of Directors

Interviewees view the Bay Foundation Board of Directors as strong in terms of managing the work of the Foundation. However, the board is not viewed as very diverse or as having a high profile in the community. A few individuals members were singled out as potentially strong fundraisers, but the board overall is not rated high in this area.

Representative Comments:

"There are too many government people to make it a strong fundraising group."

"A few individuals might be good (at fundraising), but not the group overall."

Case for Support

An organization's case for support is a critical element of its financial development program. The degree to which prospective donors see the case as important and urgent will influence their willingness to make a gift to the organization.

Interviewees for this assessment received a case statement prior to the interview, but only three of the ten said they had read it. The others were given a chance to review the document during the interview and were provided with a brief oral summary. (A copy of the case appears as Appendix A.)

All of the interviewees understand the need for the MBNEP to increase its fundraising efforts and they view the development of a Financial Development Plan as an important and positive step.

Representative Comments:

"Charitable gifts will be a more stable and controllable source of funding, along with the government funding."

"This organization is critical for the coordination of efforts to keep the Bay healthy."

Interviewees expressed a great deal of pride in the beauty and uniqueness of the Central Coast area and unanimous support for preserving the natural environment. However, while this sentiment is generally held, the specific identification with preserving Morro Bay does not appear to be strong among residents outside of the immediate Bay locale.

Several interviewees mentioned that residents of San Luis Obispo are less concerned about the Bay than are residents of the “coastal area.” Those who are close to the MBNEP believe that an educational effort is needed to make all residents more aware of the broader value of Morro Bay and its watershed.

As a further test of the strength of the case, interviewees were asked if they would be willing to make a gift to the MBNEP. Five individuals said that they would make a gift, four did not answer the question and one said “maybe.”

Ranking of Components

Interviewees were asked to rank the following elements of the case to indicate their personal level of support for each:

- ▶ Land Acquisition & Conservation Easements
Protecting open space, both natural habitats and “working” landscapes.
- ▶ Field Programs
Critical work in the watershed such as erosion control projects, sediment traps and floodplain restoration, habitat restoration, and pollution reduction programs.
- ▶ In-Bay Habitat Enhancement Project
Specific measures to improve habitats in and around the bay itself.
- ▶ Monitoring
Funds are used to monitor implementation and report on the status of all action plans.
- ▶ Education and Outreach
Teaching residents and visitors about the importance of the estuary and their roles in protecting it. The MBNEP operates a visitor center, publishes maps and booklets, and sponsors public workshops on important estuarine issues.
- ▶ Administration
Staff, rent, equipment, volunteer oversight.

There was little consensus regarding any element of the case being more important than the others. The one exception was that all of those who are *not* close to the MBNEP rated Education and Outreach as a top priority element of the case. By contrast, only one of those individuals close to the organization ranked this element as their highest priority.

A couple of the interviewees chose not to rate the elements of the case because they believe they all are of equal importance. In addition, not all interviewees who gave ratings did so for all elements. Interviewees were asked to indicate their top priority element(s) with a rating of “A” and elements of lesser importance with ratings of “B” or “C.” The number of times each element was given a specific rating is shown in the table below:

MBNEP Case for Support

Element	Priority Ranking		
	A	B	C
Education and Outreach	6	1	1
Field Programs	4	1	2
In-Bay Habitat Enhancement Project	3	2	2
Land Acquisition & Conservation Easements	3	1	1
Administration	2	3	2
Monitoring	1	2	2

Primary Reasons to Support the Morro Bay National Estuary Program

Interviewees believe that most current supporters of the MBNEP are motivated by the following reasons:

- ▶ The mission of the organization and a belief that mankind has a responsibility to exercise stewardship over the natural environment;
- ▶ An awareness that the funds needed by the MBNEP are not available from other sources;
- ▶ A personal interest, such as preserving the view, encouraging tourism or supporting the bird population;
- ▶ A general inclination toward philanthropy.

Interviewees believe that these same factors will motivate many potential new donors, but many noted that education of prospective donors will be extremely important to overcome the perception that the MBNEP is a public agency. People who are new to the MBNEP also need to be educated about the specific role the MBNEP plays and the tangible results that are achieved through its efforts.

Donor Base and Fundraising Leadership

Fundraising professionals agree that the most successful strategy for raising funds from private sources is a program of face-to-face solicitation. (See Section IV.) In addition to a compelling case for support, such a program requires a base of qualified donors and a group of leaders who are trained and motivated to assist with fundraising.

The MBNEP will need to develop both of these assets as it moves forward in developing a financial development program. As mentioned above, the current leadership of the MBNEP and the Bay Foundation are not actively involved in fundraising or known for their expertise in this area. (Note that several individuals were mentioned as exceptions to this general view.)

The Financial Development Planning Task Force identified a partnership with the Friends of the Estuary as a desirable asset in fundraising for the MBNEP. The organization has a well-known name and a history of involvement with efforts to establish the MBNEP. In

addition, the membership of Friends of the Estuary numbers approximately 800 individuals who are deeply committed to the MBNEP mission.

The interview process was used to gather the names of individuals who are believed to have the *capacity* to make a significant gift to the MBNEP. A total of 21 individuals, five businesses and three private foundations were suggested as having capacity to make an annual gift of \$25,000 and above. Four of the individuals were interviewed; all said they will consider a charitable gift to the MBNEP.

Interviewees were also asked to suggest individuals they believe to be good prospects for a volunteer leadership position in the MBNEP financial development program. Fifteen individuals were suggested, three of them multiple times. Two of those mentioned are current members of the MBNEP Executive Committee. Three of the 15 individuals suggested were interviewed; one indicated a willingness to play a leadership role and one may be willing to do so.

Where it was deemed appropriate, interviewees were also asked if they would be willing to provide leadership for the MBNEP program. Of the seven who responded, three would be willing to provide leadership.

Planned Giving Potential

One goal of a financial development program is to develop strong relationships with donors, making them part of the organization's inner family. The strongest and most enduring of these relationships often result in very significant gifts made in the form of a planned gift, including bequests, charitable trusts and gifts of highly appreciated assets.

It is the goal of the MBNEP to establish an endowment fund that produces significant earnings to offset a portion of annual operating expenses. Planned gifts are an excellent tool for achieving this goal, but as one interviewee observed, "Six to eight years is not a long time for developing these kinds of gifts."

Most of the interviewees are familiar with the planned giving concept and most believe the large population of wealthy retirees in the area provides many prospects for such gifts. However, for purposes of this plan, no prospective planned giving donors were identified for the MBNEP.

The MBNEP should make known its plans to establish an endowment fund to individuals who are already close to the organization. This will allow those who are involved in estate planning or liquidation of highly appreciated assets to consider a planned gift to the organization.

Policies should be established that require the principle of any bequest to be placed in an operating endowment fund that is invested carefully and managed conservatively. Policies should specify that the corpus of the operating endowment remain intact and that a designated percentage of earnings be made available on an annual basis for operating needs. If an emergency or reserve fund is also established, policies need to ensure that donor-restricted bequests or gifts are strictly honored with regard to invasion of the principle.

For purposes of the revenue projections for this plan (see page 3.12), it is assumed that the MBNEP will receive some bequest gifts within the next five years and that the “take rate” (the amount of earnings on the endowment fund used for annual operations) will be five percent.

When the major gifts program is fully developed, a formal planned giving program should be implemented and actively marketed to a group of carefully selected prospects. Key components of such a program should include:

- ▶ A specific MBNEP committee for planned giving;
- ▶ A case statement specifically for planned giving;
- ▶ A donor recognition club;
- ▶ Frequent mail cultivation;
- ▶ A periodic program of leadership education on the topic of planned giving;
- ▶ Will clinics and estate planning seminars;
- ▶ Personal calls on planned giving prospects;
- ▶ Cultivation of the professional community that deals with estates and planned giving;
- ▶ Staff or counsel to provide professional management of the planned giving program.

Conclusions

1. The MBNEP is a solid, effective organization. It has many of the most important assets necessary for a successful financial development program—a compelling mission, a positive image, demonstrated effectiveness and respected leadership.
2. Because there has not been a need to focus on fundraising during development of the CCMP, building the financial development program will have to begin at the most basic level.
3. A specific MBNEP Financial Development Committee is needed to lead the fundraising program. It would be extremely beneficial if this group could use the established and respected “Friends of the Estuary” name.
 - If the MBNEP and the Friends are able to reach agreement on this point, it will be necessary to market the new partnership very carefully to avoid any confusion in the minds of the general public and prospective donors.
 - If the MBNEP is not able to secure use of the Friends of the Estuary name, a group with a new name will need to be formed and marketed aggressively.
4. The MBNEP annual case for support will have to be very clear and precise as to the use of contributed funds.

5. The Bay Foundation Board of Directors must actively support the financial development program.
6. A sufficient pool of prospective donors, representing a wide geographic area, must be identified and cultivated.
7. Staff capacity will have to be increased to manage an annual campaign and planned giving program. A Director of Development position should be added, to be supervised by the MBNEP Executive Director. The MBNEP also may want to consider hiring professional fundraising counsel to assist with the first-year implementation of the Financial Development Plan and training of the new Director of Development, as needed.
8. There is a need to recruit and train leadership for an annual campaign.
9. A significant public relations effort is needed to support financial development efforts. There appears to be a need for wider understanding of the purpose of the MBNEP, the tangible outcomes the organization helps to achieve and the need for private support of the organization.

The following sections of the plan will provide the blueprint for building a financial development program that is based on principles and strategies that have proven effective throughout the non-profit sector.

MORRO BAY NATIONAL ESTUARY PROGRAM
Financial Development Plan

Section III: Outline of Financial Development Program

A primary goal of the financial development program outlined in this section is to build a fundraising infrastructure and tradition that will allow the program to grow steadily in the coming years. Implementation of the program will build the MBNEP's donor base, improve relationships with current and prospective donors and develop a leadership base for future fundraising efforts.

Objectives of the Financial Development Program

- ▶ Introduce an annual major gifts program for the MBNEP with a first-year goal of \$50,000 in 2004.
- ▶ Increase production of the major gifts program to \$310,000 by 2008 to help balance the reduction in Consent Decree funds and the potential for reduced funding under section 320 of the Clean Water Act.
- ▶ By 2006, establish an operating endowment fund through bequest gifts.
- ▶ By 2007, position the MBNEP for a possible capital campaign to expand the operating endowment fund.

Underlying Principles of the Program

Charitable Giving Trends in the U. S.

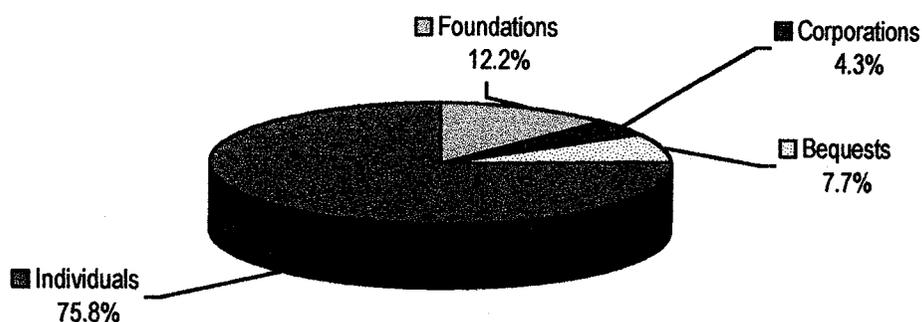
Research over a period of more than 20 years has confirmed that individuals consistently provide the greatest amount of all charitable dollars contributed each year in the United States. Further, the dollar amount given by Americans increases each year. The most recent edition of *Giving USA* estimates that \$212 billion was contributed to all charitable causes throughout the United States in 2001. The sources of these funds are shown in the following table:

2001 U. S. Charitable Contributions	
Source	Dollars (in billions)
Individuals	\$160.72
Foundations	25.90
Bequests	16.33
Corporations	9.05
TOTAL	\$212.00

The chart below shows the percentage breakdown of charitable giving for 2001. Note that together, individual giving and bequests accounted for 83.5 percent of all charitable dollars donated. While corporations and foundations are an important source of charitable

dollars, focusing on the cultivation and involvement of individuals with the capacity to give significant gifts will have the greatest return for the long-term success of the MBNEP financial development program.

Percent of Total Contributions



Pyramid of Giving

The Pyramid of Giving, shown on page 3.4, illustrates five key principles that must be incorporated in building a successful financial development program. An appreciation of this concept is fundamental to the development of the MBNEP's annual giving strategies for the next several years.

1. **Fundraising is a long-term endeavor.** A widely accepted fact of non-profit fundraising is that relationships between an organization and individuals lead to involvement of the individuals in the work of the organization. Such involvement builds commitment to the mission of the organization and, when a need exists, commitment is demonstrated through financial support.

The process of establishing and building relationships between donors and the organization is an evolutionary process. It takes time and cultivation to seek out and secure contributions and to develop donors who make repeated annual contributions. A donor's first contribution to an organization is usually relatively modest in size when compared to that individual's actual capacity to give. Typically, only 60 to 65 percent of first-time contributors renew their gift the following year. But if they do, approximately 80 percent of this second-year group will make another gift the third year, and 80 percent of the third-year group will give the fourth year, and so on. If properly cultivated, many who become regular contributors will, over the years, increase their level of giving so that eventually their annual giving will equal ten or even 100 times their initial gift.

2. **There is a direct correlation between the size of a donor's gift and the method used to solicit it.** For example, most first-time contributions are secured through mail appeals. Second and third gifts are often also solicited in this way.

Once a gift reaches a certain level—\$250, \$500 or more—future gifts can and should be solicited on a face-to-face basis, ideally by someone who knows the contributor personally. The illustration, *Fund Raising Stairs to Success*, on page 3.5, depicts the relative effectiveness of a variety of fundraising methods.

3. **Fundraising requires an investment of dollars to achieve needed funds.** The costs of fundraising are directly associated with the methods used to secure new contributors or to renew the gifts of active contributors. This is a particularly significant issue for annual giving activities, as confirmed by the following facts:
 - Direct mail is the most costly form of fundraising, typically costing 150 to 200 percent or more of the value of the contributions received to secure a first time gift. The cost ratio for securing second and subsequent gifts generally drops to 20 to 25 percent.
 - Special event fundraising costs typically range between 30 to 65 percent of gross proceeds. As a general rule, the net cost for raising funds through special events should not exceed 50 percent and ideally, it should be in the range of 30 to 35 percent.
 - Personal solicitations, including foundation and corporate solicitations, tend to be the least costly. Costs range from eight to 15 percent. Moreover, solicitations directed at individuals usually generate the largest percentage of total funds raised by an organization.
4. **There is a direct correlation between the size of a donor's gift and the amount of overall funds required.** Prospects with larger gift potential often scale their gift in direct proportion to the fundraising goal. This concept is demonstrated repeatedly by non-profit organizations both in annual and capital campaigns. A prospect might determine that a gift in the range of \$5,000, or even \$10,000, is exceptionally generous against a goal of \$100,000 or more—and it would be. However, the prospect's true capacity might be many times greater. In a capital campaign, where the goal might be \$10 million or \$15 million, the same prospect might give \$100,000 or even \$250,000 simply because of the size of the goal. (Of course, capacity must always be present, along with interest and a proper solicitation.)
5. **In most annual giving programs, 10 to 20 percent of the gifts received will account for 80 to 90 percent of dollars produced.** If an organization could stack the contributions it received in a 12-month period on top of one another—with the smallest gifts on the bottom and the largest gift on top—the result would very likely resemble a pyramid. Approximately 75 to 80 percent of all gifts received are likely to be in the lower giving ranges and these will likely equal about 10 to 20 percent of the total dollars given. Only a few gifts (usually less than 100) will account for 80 to 90 percent or more of the total dollar production.

Insert Pyramid

Insert stairs to success

Annual Support Components

The MBNEP annual giving program is designed to provide unrestricted operating revenue from the following sources:

▶ Personal Solicitations

Section IV provides a detailed description of the MBNEP personal solicitation or major gifts program. In summary, this program is the vehicle for making personal solicitations of carefully selected prospective major donors. Personal solicitations are made on a face-to-face basis and focus on *levels of giving* related to the capacity of the prospect. The primary prospects for the program are individuals, businesses, corporations, service clubs and other charitable groups.

The personal solicitation program kicks off each year with a Leadership Gifts phase conducted prior to other solicitations. This phase is extremely important to the overall campaign because it sets the tone for giving by soliciting an annual gift from those who are closest to the MBNEP. Prospects for Leadership Gifts include members of The Bay Foundation Board of Directors and the MBNEP Financial Development Committee, other selected volunteers, senior staff and leaders of the annual campaign.

▶ Grants

A formal grants program is used to solicit unrestricted operating dollars and direct funding for specific programs and expenses that are elements of the MBNEP operating budget. (Grant funds that are restricted to non-operating expenses do not count toward the goal of the annual giving program.) Prospects for the grants program include private charitable foundations, community foundations, formal corporate giving programs or foundations and government grant programs.

▶ Direct Mail

A direct mail program is the primary vehicle for continual acquisition of new donors and renewal of gifts from donors at giving levels of less than \$500. It is also an excellent means of communicating the MBNEP mission, vision and programs to a large segment of the population. Appeals are mailed to donors a minimum of four times per year. As soon as financially feasible, MBNEP should explore the use of a professional direct mail firm for additional mailings that target the acquisition of new donors. (Donors to the direct mail program should always be screened carefully to identify those who should be solicited on a face-to-face basis as part of the personal solicitation program.)

▶ Special Events

Special events raise a targeted net amount annually for operations. The special events program is also a tool for reaching beyond the usual circle of MBNEP supporters to introduce new people to the organization and provide an entry point for prospective future donors for the major gifts program. Events are also an

enjoyable means for current supporters to introduce their friends to the organization and to celebrate accomplishments in achieving the MBNEP mission.

Because special events can lose their appeal over time, specific criteria for evaluating events are needed. At a minimum, these criteria should include the *net* income potential, the honoree potential, the cost ratio, the level of volunteer support required to organize the event and the breadth of appeal of the event. Events that do not meet the established criteria should be eliminated or replaced by another with greater potential for financial productivity.

◆ **Tributes and Memorials**

A formal Tribute and Memorial program is the vehicle for giving MBNEP supporters an opportunity to make unsolicited gifts in remembrance of a birthday, marriage, graduation or other occasion and memorial gifts honoring someone who has passed away. The program should be actively marketed among MBNEP donors and volunteers.

Annual Support Projections

Financial projections for the annual giving program through 2008 appear on page 3.12.

Essential Elements of a Successful Annual Support Program

- ◆ A strong and compelling case for support. The annual case should have the buy-in of key volunteers and senior staff. It should define the activities of the MBNEP, focusing on the needs of the people served as opposed to the needs of the organization.
- ◆ A well-defined and sufficient pool of prospective donors.
- ◆ Volunteer leadership of sufficient stature and track record to assure supporters of the organization's credibility and inspire confidence that donated resources are responsibly managed.
- ◆ A group of designated volunteers willing to accept the responsibility to ensure that the MBNEP has the resources needed to operate its programs.
- ◆ Qualified and competent staff management.
- ◆ An annual support general plan that includes:
 - A goal that is *realistic* yet challenging.
 - A case statement that is urgent and compelling.
 - A fundraising organizational structure.
 - A planning chart and calendar of key activities and deadlines.
 - An outline of responsibilities for key volunteer leadership positions.

- ▶ An adequate fundraising/development budget.
- ▶ An adequate record keeping system for donor and gift data management.
- ▶ A prompt gift acknowledgement program to keep contributors informed as to how their gift has been used and how the organization is doing overall.

Annual Campaign Organizational Structure

Volunteer and staff leaders must make fundraising one of their top priorities if the proposed program is to be expanded to the level required. A designated committee, operating under the leadership of the MBNEP, should take the lead role in financial development. The Friends of the Estuary is the logical group to assume this responsibility because it already has a substantial membership base, a respected name, strong community awareness and a mission of supporting the MBNEP.

If the Friends of the Estuary does not fill this role, a new body must be formed and marketed as *the* membership organization with the exclusive mission to raise funds for the MBNEP. An appropriate and inspiring name should be selected for this lead fundraising group. (Herein, it will be referred to as the Financial Development Committee.)

It is essential that the program and the committee directing the program have the full support of the MBNEP Executive Committee and the Bay Foundation Board of Directors. Members of the Bay Foundation should also be fully involved in the fundraising program, to the extent possible.

Whether a new fundraising group is formed or the Friends of the Estuary moves into this role, a targeted recruitment program will be needed. Individuals asked to serve on the Financial Development Committee members should have the capacity to make a meaningful annual gift to the MBNEP at the major gift level (\$1,000 and above). They should have fundraising experience and/or the willingness to undergo training in this area. The committee should be representative of all prospective donor groups and members should be of sufficient stature to persuade others to join them in supporting the annual campaign. Collectively, committee members must have the capacity to fulfill the following responsibilities:

Primary Responsibilities of the Financial Development Committee in Fundraising

- ▶ Develop the fundraising plan for the year including the policies, goals and methods to be used.
- ▶ Secure annual approval of the plan from the MBNEP Executive Committee and The Bay Foundation Board of Directors.
- ▶ Prepare an adequate budget to carry out the approved fundraising plan for inclusion in the MBNEP operating budget.
- ▶ Provide campaign leadership. Generally, the chair of each fundraising subcommittee comes from the Financial Development Committee. Likewise,

other key leadership roles should be largely, but not exclusively, filled by committee members.

- Participate by making a personal contribution. The goal is to have 100 percent of committee members make a personal, and where appropriate, a company gift each year. It is not the dollar amount that is the most important. Rather, it is the fact that each member has demonstrated his/her own commitment to the MBNEP. Experience and research in the non-profit sector have shown that the generosity of prospective donors is based upon their perception of the importance and urgency of a campaign need. *If those closest to the organization do not give, and give at a personally meaningful level, others will follow their lead.*
- Help identify and cultivate prospective donors. Whether or not a committee member ever personally asks for contributions from others, it is important that he/she be willing and able to help identify and assist in the cultivation of prospects.
- Help determine “ask for” amounts and solicit prospective donors. Committee members should have knowledge of the community and be willing to help open doors for solicitations to occur. Some committee members may play a primary role in gaining access to prospects by setting and attending meetings for a solicitation to occur. Others may be more active in actually asking for a gift.
- Personally thank donors and stay in touch with them. Often, the most important step toward securing another gift is the manner and timeliness of the acknowledgement provided.
- Monitor the overall fundraising program and its activities to ensure that:
 - The fundraising programs are well managed.
 - The funds are raised in a cost-effective manner.
- Ensure that contributed funds are used as stated.

Primary Responsibilities of The Bay Foundation Board of Directors in Fundraising

- Approve the fundraising plan for the year, including the policies, goals and methods to be used.
- Provide campaign leadership as appropriate.
- Participate by making a personal contribution. The goal is to have 100 percent of board members make a personal, and where appropriate, a company gift each year. Again, it is not the dollar amount that is the most important. Rather, it is the fact that each board member has demonstrated his or her own commitment to the MBNEP.
- Help with identification and cultivation of prospective donors, as needed.

- ▶ Help determine “ask for” amounts and solicit prospective donors, as needed.
- ▶ Help with acknowledgement and recognition of donors, as needed.

Primary Responsibilities of the MBNEP Executive Committee in Fundraising

- ▶ Approve the fundraising plan for the year including the policies, goals and methods to be used.
- ▶ Establish an adequate budget to carry out the approved fundraising plan.
- ▶ Provide campaign leadership as appropriate.
- ▶ Help with acknowledgement and recognition of donors, as needed.

Key Responsibilities of Staff in Fundraising

A Director of Development staff position is needed to support the comprehensive financial development program outlined in this plan. The position is responsible for carrying out the overall fundraising program, which includes delegating responsibilities if additional positions are added to the development staff, overseeing the day-to-day details of the development program and ensuring that deadlines are met and activities implemented in an efficient and timely manner. As need requires and funding permits, the Director of Development is responsible for building a cohesive financial development team that provides a seamless continuum of giving from direct mail and other gifts at lower levels, through the personal solicitation program to the planned giving program.

The financial development program will also require strong support from the MBNEP Executive Director. Mike Multari is highly respected in the community and has developed relationships with prospective donors. He plays a lead role in interpreting the organization’s mission and programs to the community and will need to participate in actual gift solicitations, as appropriate.

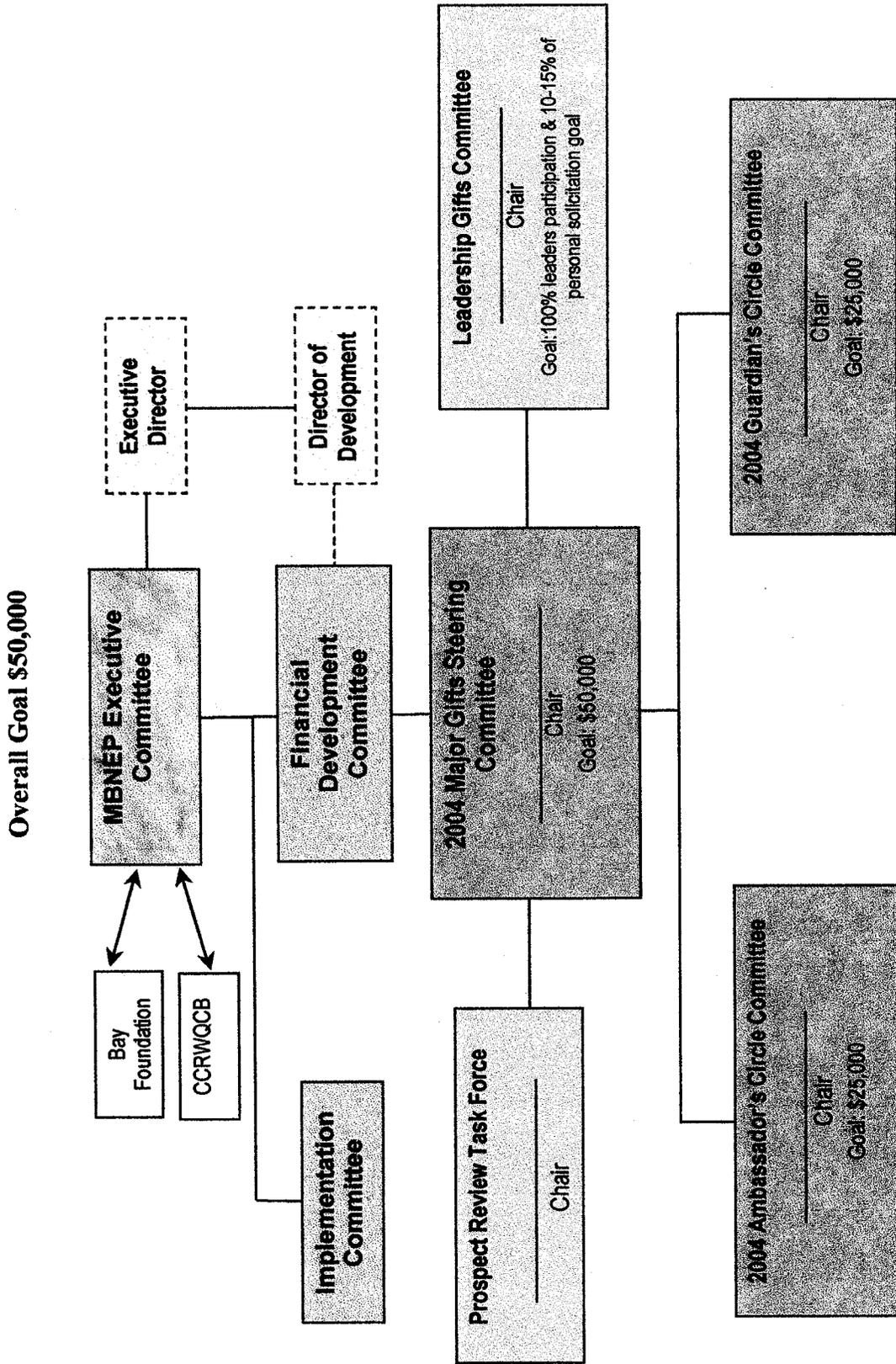
While the details of the financial development program are extensive, the basic responsibilities of staff are:

1. Develop a draft fundraising general plan for the year. Once the plan has been approved by the Financial Development Committee and the Bay Foundation board, staff is responsible for managing its implementation on a day-to-day basis.
2. Make their own individual financial contribution to the program.
3. Help identify prospective campaign and special event leadership and assist in their enlistment and orientation.
4. Develop and help prioritize a sufficiently large list of donor prospects for solicitation.
5. Prepare all agendas and support materials and make arrangements in advance of each fundraising-related meeting.

6. Assist in the training of all volunteers who will be asking for funds, and participate in the solicitation of selected key prospects, as appropriate.
7. Provide regular progress reports and assessments of fundraising progress throughout the year to the Financial Development Committee and the Bay Foundation board. The information must be presented in such a way that it makes it easy for volunteer leaders and staff to assess progress quickly and determine which areas of fundraising require further emphasis or intervention.
8. Manage and maintain all office systems and records related to fund development, with regular updates before, during and after the completion of each fundraising activity. This responsibility includes ensuring that adequate equipment and software are available. It also includes managing donor acknowledgments and billings throughout the year, maintaining accurate records on each donor and protecting the confidentiality of donor records.
9. Provide encouragement to and help motivate volunteers throughout the fundraising programs and see that each volunteer and donor is thanked in a timely and appropriate manner for their help and/or gift.

Insert AG Projections

MORRO BAY NATIONAL ESTUARY PROGRAM
2004 Personal Solicitation Program Organization



Personnel Requirements & Solicitation Focus:
 4 to 5 members, seeking 16 gifts of \$1,000 and above

Personnel Requirements & Solicitation Focus:
 2 to 3 members, seeking 5 gifts of \$5,000 and above

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Proposed Job Description

Position: Director of Development

Reports To: MBNEP Executive Director

Supervisory Authority: None

General Responsibilities:

Provide staff support to the MBNEP Financial Development Committee and oversight of the MBNEP financial development program to ensure that the program is successful on an annual basis and that it maintains an overall strong rate of growth.

Specific Duties:

- Develop a fundraising general plan each year.
- Manage the day-to-day implementation of the annual fundraising plan.
- Help identify and cultivate prospective donors.
- Help identify and cultivate prospective volunteer fundraising leadership.
- Train volunteers in the techniques of face-to-face solicitation.
- Prepare agendas and support materials for all fundraising committee meetings.
- Oversee the grants program, including submission and tracking of grant applications, prospect research and correspondence with grantors.
- Assist volunteers with the planning and production of fundraising special events.
- Oversee the preparation of fundraising mail appeals and manage the mailing list.
- Select an appropriate donor management software program and manage the donor information database.
- Hire, train, supervise and evaluate financial development staff, as appropriate.

Standards of Performance

- Develop and implement a comprehensive financial development program for the MBNEP in keeping with the recommendations of the Financial Development Plan.
- With assistance from volunteer fundraising leadership, develop the MBNEP donor base to insure a sufficient number of prospects at required levels to meet annual projections for the personal solicitation program.
- With assistance from volunteer fundraising leadership, develop a trained and motivated cadre of volunteers to fulfill committee requirements for the personal solicitation program.

- Achieve projected growth levels in all aspects of the annual campaign: personal solicitations, direct mail solicitations, tributes and memorials, grants and special events.
- Build the annual giving program to produce a minimum of \$431,200 by 2008 (major gifts, direct mail, tributes & memorials, foundation grants and special events).
- Demonstrate strength in the following areas:
 - Planning and evaluating the financial development program.
 - Managing the development budget.
 - Identifying prospective donors and working with volunteers to cultivate their interest in the MBNEP.
 - Motivating volunteers.
 - Training and supporting volunteers in the identification, cultivation, solicitation and recognition of donors.
 - Developing innovative strategies for the acquisition of new donor prospects.

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Section IV: Personal Solicitation Program

The MBNEP personal solicitation program should be introduced with three components, one for solicitation of gifts from existing leaders of the effort to protect Morro Bay, one for solicitation of gifts of \$5,000 and above and the other for solicitation of gifts in the range of \$1,000 to \$4,999. [*Note: If the prospect review process indicates potential for a number of higher gifts in year one of the annual support program, an additional component should be added to focus on gifts of \$10,000 and above.*]

Each component should be appropriately named in a manner that is relevant to MBNEP supporters. For discussion purposes, the three components are herein referred to as Leadership Gifts, the Ambassador's Circle and the Guardian's Circle. [The component for solicitation of gifts of \$10,000 and above is referred to as the Harbor Master's Circle.]

The personal solicitation program will be accomplished through a formal fundraising campaign conducted annually over a period of 10 to 12 weeks. It will be preceded by the solicitation of Leadership Gifts. The campaign will employ the strategy of face-to-face solicitation of predetermined gift amounts. Pledges will be encouraged so that individual donors are able to make larger gifts by spreading payments over a number of months. The personal solicitation effort is the heart of the annual support program because such gifts are the most renewable. They are also the most cost-effective to secure and have the greatest potential for growth.

Ambassador's Circle (or other appropriate name)

As mentioned in Section III, typically 80 to 90 percent or more of an organization's contributed support will come from the top 10 to 20 percent of its donors. The Ambassador's Circle will be the vehicle for identifying, cultivating and soliciting this group. Key features are:

- ▶ The focus is on unrestricted, annual gifts from individuals, corporations and businesses. (Gifts from charitable foundations and formal corporate giving programs are recorded as "Foundation Grants" revenue, but foundation donors are recognized as Ambassador's Circle members. Gifts from individuals paid through a private family foundation are recorded as individual gifts.)
- ▶ The qualifying gift level is \$5,000 and above.
- ▶ An annual recognition event is held to welcome new members of the Ambassador's Circle program and their spouses and formally thank all members for their gift.
- ▶ Ambassador's Circle members are recognized on an annual donor's wall located prominently in the MBNEP's headquarters facility (or the Visitor's Center, if appropriate) and in the organization's newsletters and annual report.

Guardian's Circle (or other appropriate name)

The Guardian's Circle is designed to solicit and recognize gifts from individuals and businesses in the giving range of \$1,000 to \$5,000. The Guardian's Circle campaign will provide an excellent cultivation and training opportunity for individuals with the capacity to move to higher levels of giving and leadership.

The primary features of the Guardian's Circle program are:

- ▶ The focus is on unrestricted, annual gifts from individuals, businesses, service clubs and local support groups.
- ▶ The qualifying gift level is \$1,000 to \$4,999.
- ▶ Guardian's Circle members are recognized in the organization's newsletters and annual report.

Leadership Gifts—Key to Overall Success of the Annual Campaign

Prior to launching the annual campaign, a Leadership Gifts Committee will be formed to secure the gifts of Financial Development Committee members, the Bay Foundation Board of Directors, leaders of the annual support campaign and senior staff management.

Because these leaders have the biggest stake in the success of the campaign, their leadership and participation will dramatically influence the public's perception of the importance and urgency of the campaign. This perception will, in turn, have an impact on others' willingness to make a personal investment.

The Leadership Gifts Committee should be comprised of the most dedicated and generous Financial Development Committee members and other volunteers from Friends of the Estuary, and the Bay Foundation. Each committee member is responsible for seeking, on a face-to-face basis, challenging commitments from three to four other members of the MBNEP inner family toward the personal solicitation program goal.

Note: It is recognized that among the board, staff and campaign leadership there will be considerable range in the *capacity* to contribute to the annual campaign. However, the degree to which every member of the inner circle stretches in making her/his own gift will directly influence what can be expected from others who are less involved with the MBNEP.

Proven Practices of Personal Solicitation Fundraising

Over many years of successful face-to-face campaigning by a large number of varied non-profit organizations, some proven practices have evolved. It has been demonstrated many times that organizations that try to save time or effort by disregarding these practices fail to produce the maximum financial return for the time, energy and money invested. However, observance of these practices will strongly influence the success of the annual campaign.

1. The Financial Development Committee must accept that fundraising is its primary responsibility and must lead the way in the annual support campaign by making their own personal pledges first.
2. The annual campaign must be organized by levels of giving potential with 70 to 80 percent of dollars coming from the larger gift categories.
3. Leadership recruitment and gift solicitation must be done face to face.
4. Volunteers should not be recruited to solicit gifts for a campaign giving level that is beyond the range of their own giving capacity.
5. Each person recruited to work in the campaign must be given a position description that clearly defines his or her responsibility, required meeting dates and deadlines. All volunteers should be acknowledged and confirmed in writing by the designated staff member immediately after recruitment.
6. All volunteers should be trained before initiating any solicitation visits.
7. A list of prospective donors must be developed which includes previous donors, volunteers and newly identified prospects. Volunteers should be encouraged to identify prospects they know personally.
8. Prospective donors with larger giving capability (i.e. \$1,000 and above) must be pre-evaluated for their capacity to give and an agreed upon "ask for" amount established. Prospects should be matched to the volunteer who is most likely to secure a significant gift.
9. Each volunteer must make his/her own gift before asking others to give.
10. Bulletins summarizing the campaign progress to date should be mailed to all appropriate campaign volunteers frequently during both the recruitment of the campaign organization and the active fundraising phases.
11. All pledges and contributions should be acknowledged in writing within 72 hours of their receipt by the MBNEP.
12. An attitude must be developed and conveyed that the success of the campaign is critical to the achievement of the MBNEP mission.

2004 Personal Solicitation Goals

The first-year goal for the personal solicitation program is \$50,000. While the goal is challenging, it is designed to set the foundation for the MBNEP to achieve the objective of \$310,000 in major gifts fundraising by 2008. The 2004 goal is based upon the following projections:

- ▶ Ambassador's Circle (gifts of \$5,000 and above) \$25,000
- ▶ Guardian's Circle (gifts of \$1,000 to \$4,999) \$15,000
- ▶ Leadership Gifts (should produce approximately 15-20 percent of the overall annual personal solicitation goal) \$10,000

Following is a chart of gifts that provides a guideline for the number of gifts that will be needed, and at which levels, in order to achieve the goal of \$50,000. Experience has shown that approximately three prospects are needed for each gift received.

2004 Major Gifts Program

Gifts to Achieve Overall Goal of \$50,000

Number of gifts		Giving Level	Will Produce	Cumulative Total	Percent of Goal
5	@	5,000 – 9,999	25,000	25,000	50.0%
6	@	2,500 – 4,999	15,000	40,000	80.0%
10	@	1,000 – 2,499	10,000	50,000	100.0%
22		TOTALS	\$50,000	\$50,000	

Following preliminary prospect review, the overall goal should be reviewed and adjusted, if necessary. The final goal must reflect the actual distribution of donor prospects as measured against the chart of gifts. It is also important that the goal be realistic so that volunteers have a successful experience in their first campaign.

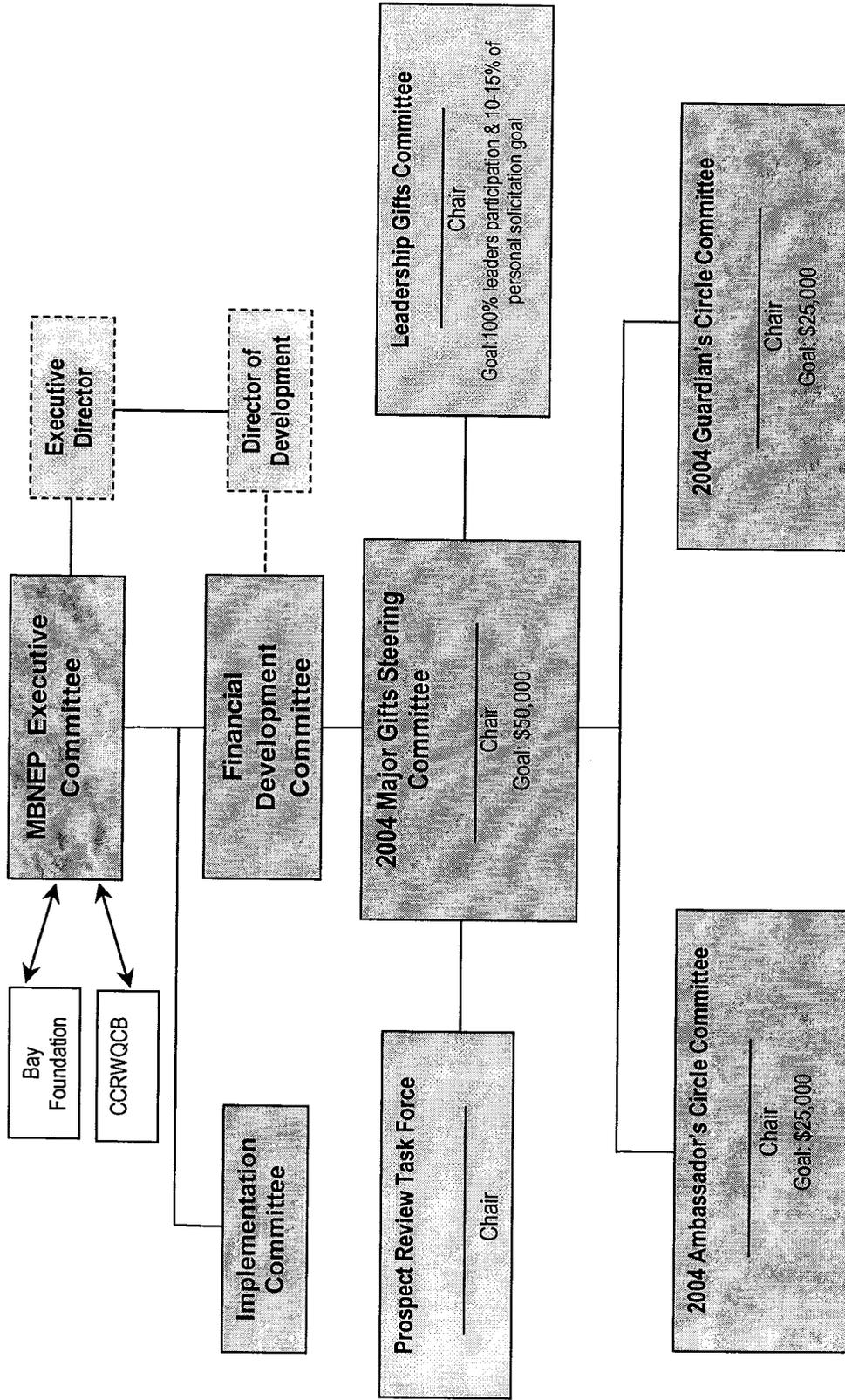
As the personal solicitation program matures, the chart of gifts should include more levels of giving while continuing to reflect the Pyramid of Giving concept. That is, the top 10 to 20 percent of gifts should produce 80 to 90 percent of the total dollars raised.

Campaign Organization

An organization chart for the 2004 campaign appears on the next page, followed by brief summaries of the key campaign leadership position and the two primary fundraising committees. Full committee descriptions are included in Appendix B and position descriptions are included in Appendix C.

MORRO BAY NATIONAL ESTUARY PROGRAM
2004 Personal Solicitation Program Organization

Overall Goal \$50,000



Personnel Requirements & Solicitation Focus:
 2 to 3 members, seeking 5 gifts of \$5,000 and above

Personnel Requirements & Solicitation Focus:
 4 to 5 members, seeking 16 gifts of \$1,000 and above

Role of the Campaign General Chair

The financial development program is conducted on an annual basis under the guidance of a Campaign General Chair. The general chair should be an individual whose identification with the campaign will heighten its significance in the minds of current supporters and among those in the general community who will be called upon to make a commitment. The chair should have a genuine interest in the MBNEP and an ability to articulate the organization's needs and its case for support.

The responsibilities of the Campaign General Chair are to provide strong, motivational leadership for the volunteers who are recruited to achieve the annual campaign goal. The chair heads up a Campaign Steering Committee made up of the chairs of other campaign committees and other leaders as appropriate. He/she also serves as the primary spokesperson for the campaign.

Role of the Ambassador's Circle Committee

The Ambassador's Circle Committee will consist of two to three volunteers (as the program grows the number will increase) enlisted to direct the Ambassador's Circle component of the campaign. Their job is to help identify and appraise prospective Ambassador's Circle members and secure two to three gifts each of \$5,000 and above, in addition to making their own gift at this level. Committee members are enlisted on a face-to-face basis and provided with a description of committee responsibilities and a committee member position description to ensure that they have a clear understanding of the responsibilities involved.

Initial organizing, training and reporting functions of the committee should take place in brief meetings specifically scheduled for that purpose. Because these tasks are so essential to the success of the committee, they cannot be accomplished effectively as part of a board meeting.

Leadership for the Ambassador's Circle Committee should come from the Financial Development Committee and highly respected individuals or corporate leaders in the community. Membership should include representation from all communities impacted by the work of the MBNEP. In fact, the Ambassador's Circle campaign is an excellent vehicle for developing volunteers, enhancing community relations and marketing the MBNEP to both existing and new constituencies.

Role of the Guardian's Circle Committee

A committee of four to five volunteers is enlisted each year to oversee the Guardian's Circle phase of the annual campaign. The job of committee members is to help identify and appraise prospective donors and secure three to four gifts each of \$1,000 and above, in addition to making their own gift. Committee members are enlisted on a face-to-face basis to ensure that they have a clear understanding of their responsibilities. Leadership for the Guardian's Circle Committee should come from members of the Financial Development Committee, other support groups and individuals or business leaders in the local community.

Recommendations for Implementation of the Financial Development Plan

- ▶ Adopt the Financial Development Plan. (MBNEP Executive Committee and the Bay Foundation Board of Directors.)
- ▶ Present a proposal to the Friends of the Estuary Board of Directors that: 1) repositions the organization as the fundraising group for the MBNEP; or 2) allows the Friends of the Estuary name to be used by the Financial Development Committee of the MBNEP.
- ▶ If the above proposal is accepted, develop a written Memorandum of Understanding between the Bay Foundation and the Friends of the Estuary. The MOU should define the respective roles of all partners in fundraising activities and in education and outreach activities. The MOU should also establish policies to ensure that there is clarity in the minds of prospective donors about the use of charitable gifts.
- ▶ Recruit members to serve on the Financial Development Committee.
- ▶ Hire a Director of Development. (A suggested position description appears in Appendix D.)
- ▶ Begin organizing for the 2004 annual support program, using the Financial Development Plan as the basis for the 2004 general plan.
 - Develop a case statement brochure specifically for the 2004 annual giving program. Funding priorities should be established by senior MBNEP management staff in cooperation with the Executive Committee.
 - Form a prospect review committee to develop a prospect list of past donors and potential new donors and determine a preliminary “ask for” amount based upon an assessment of the prospect’s giving capacity.
 - Hold training sessions for Friends of the Estuary Board members and other volunteers on how to do an effective face-to-face gift solicitation.
 - Develop a donor recognition program that incorporates the following policies:
 - Every personal solicitation gift is acknowledged (with a receipt and a thank-you letter) within 72 hours of its receipt.
 - Donors of \$5,000 and above receive several expressions of gratitude over a period of 10 to 15 days, including a letter from a key staff member and a letter or a personal note from a key volunteer.
 - Acquisition of a sound donor management software program to support the recognition program.
- ▶ Implement a direct mail program that includes direct, quarterly appeals to a carefully screened mailing list. An additional mail solicitation should be sent out at the conclusion of the personal solicitation campaign to donors who are candidates for personal solicitation but who were not reached during the campaign. This appeal should be personalized, should thank the prospective donor for past support

and present the case for consideration of a higher, or an additional, gift in the present year.

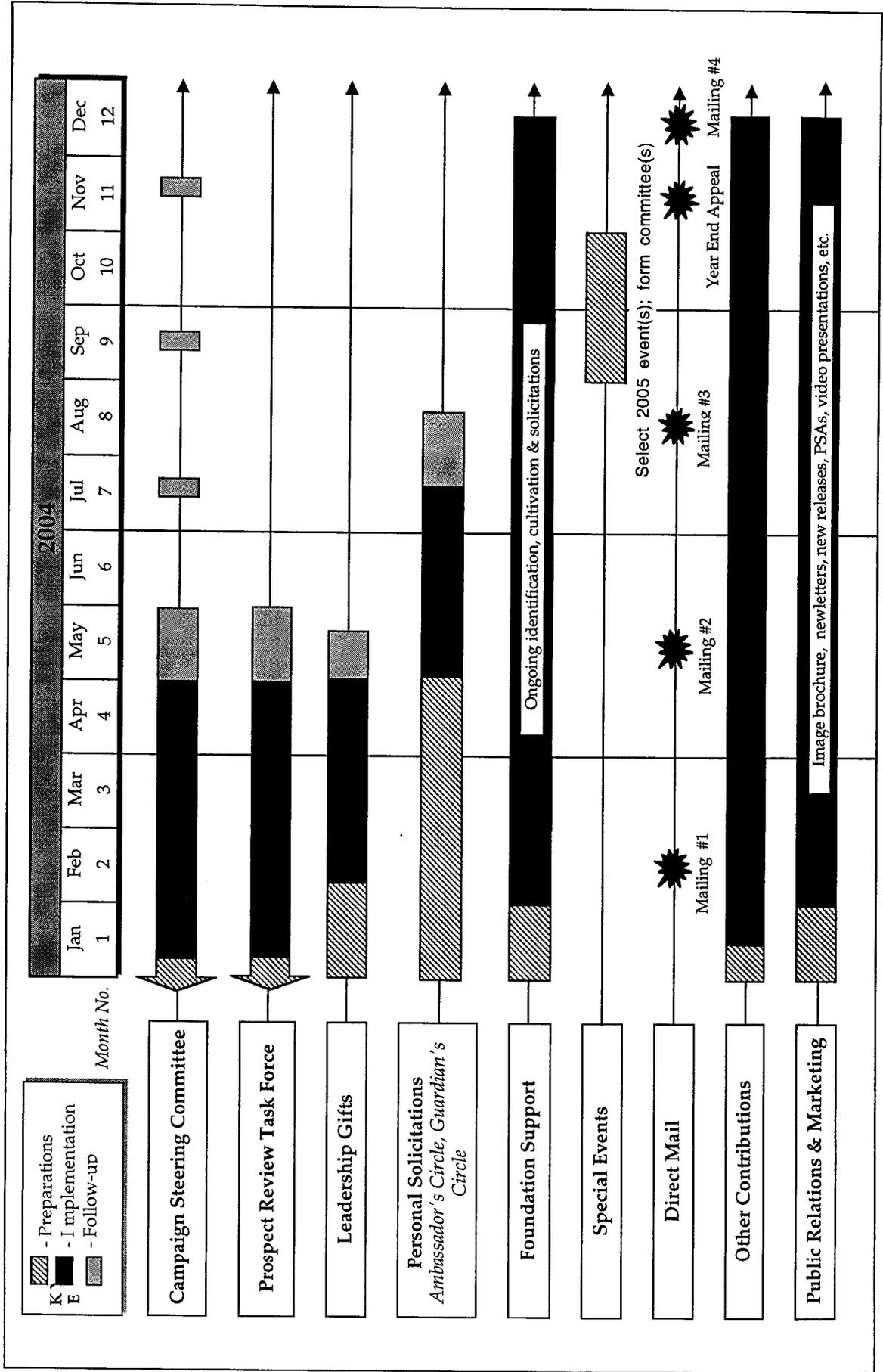
- ▶ Visit with the interviewees who participated in the planning process to thank them for their assistance, report the planning outcome and cultivate their possible involvement as a prospective donor or volunteer leader for the personal solicitation campaign.

Campaign Timeline

A planning chart for the 2004 annual support campaign appears on the following page. A sample budget format appears on page 4.9. The 2004 timeline should be adjusted as necessary, but once an appropriate schedule is identified, the annual campaign should take place at the same time each year.

Morro Bay National Estuary Program
Financial Development Plan

2004 Annual Campaign Planning Chart



Morro Bay National Estuary Program

2004 Annual Campaign

Preliminary Campaign Budget

		ESTIMATED COSTS	NOTES
CAMPAIGN MATERIALS & PROMOTION			
1	Campaign Brochures	\$	Minimum budget; try for in-kind
2	Q & A Pamphlet (optional)		
3	Campaigner's Handbook (optional)		
6	Statement of Intent Forms		
7	Photography & Display (optional)		
8	Donor Recognition	\$	
SUB-TOTAL:		#VALUE!	

CAMPAIGN OFFICE & ADMINISTRATION

9	Campaign assistant (optional)	\$3,360	20 hrs X 12 wks x \$14
10	Computer, printer, software		
12	Postage		
13	Campaign meals		
14	Leadership Reception(s)		
15	Contingency		
SUB-TOTAL:		\$3,360	
TOTAL ESTIMATED COSTS:		\$3,360	

NOTE: These projections are provided only as a guide for developing annual campaign budgets. the campaign budget does not include the cost of existing staff who may assist with the campaign, the cost of new staff positions, fundraising counsel, or extraordinary items which might be required outside the normal scope of an annual campaign.

Strategies for the Future

- ▶ Each year, the MBNEP Executive Committee and the Bay Foundation board should review and affirm their commitment to fundraising.
- ▶ The Financial Development Committee should be an active fundraising partner with staff through members' personal gifts and a high level of participation in all fundraising activities.
- ▶ In year two or three of the annual campaign, the Financial Development Committee should consider adding another recognition level. This would include the addition of an appropriately-named committee which focuses on securing gifts of \$10,000 and above.
- ▶ In year two or three of the annual campaign, the Financial Development Committee should explore the potential for introducing an upscale special event. The new event should be a premiere, annual occasion and may be used to honor a prominent volunteer, donor or community member. A planning committee should be formed well in advance of this event each year to select a location and an honoree, secure sponsors and manage event arrangements.
- ▶ A process for compiling and maintaining a current, comprehensive mailing list should be adopted. The effort should capture as many out-of-area visitors to Morro Bay as possible. Care should be taken to assure that the list includes no duplications and that prospects for the personal solicitation program are not included in regular mail solicitations.
- ▶ A list of foundation prospects should be compiled and researched thoroughly. A list of the foundation directors and trustees should be distributed to the leadership of the MBNEP, The Bay Foundation and Friends of the Estuary and others of influence to identify personal connections that exist with grant makers. Strategies should be developed for using these connections appropriately to enhance the success rate of grant requests.
- ▶ A reporting format for the financial development program should be developed. It should be reviewed annually to ensure that it provides sufficient information for evaluating the success of the program and comparing data from year to year. Direct mail and special event revenue should reflect net proceeds only. Grants should be reported separately from individual gifts.

MORRO BAY NATIONAL ESTUARY PROGRAM
Financial Development Planning

List of Interviewees

Kara W. Blakeslee
Project Manager
American Land Conservancy

Rose Bowker
President
Los Osos Community Services District

Maggie Cox
Owner
Barnett Cox & Associates

David Edward
Executive Director
Community Foundation of San Luis Obispo County

John E. King
Owner
King Ventures

Colleen Ray
Retired
Former Executive Director
Central Coast Natural History Association

Rob Rossi
Business Investor/Planner

Warren A. Sinsheimer
Attorney at Law
Sinsheimer, Schiebelhut & Baggett

Roger Verity
Businessman/Developer

Richard Watkins
Realtor
Past President
Friends of the Estuary

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

2004 Major Gifts Campaign Steering Committee

Purpose

The primary role of the Major Gifts Campaign Steering Committee is to oversee all matters pertaining to the planning, organization and implementation of the 2004 personal solicitation campaign. The campaign goal for 2004 is to raise \$50,000 in unrestricted operating funds for the MBNEP.

Responsibilities

- ▶ Meet as needed from September 2003 through April 2004 to plan and prepare for launch of the 2004 annual campaign in February 2004.
- ▶ Meet on an as-needed basis through November 2004 to review and monitor the progress of the campaign and assure its successful conclusion.
- ▶ Review and approve the Campaign General Plan, including the case for support, planning calendar, chart of organization, key job responsibilities, schedule of gifts, donor recognition plan, gift and pledge tracking system and gift acceptance policies.
- ▶ Review and approve the campaign communications plan, collateral printed materials and other interpretive media.
- ▶ Identify candidates for, and assist in recruiting, campaign leadership, including the chairpersons for the Prospect Review Task Force, Leadership Gifts Committee, Ambassador's Circle Committee and Guardian's Circle Committee.
- ▶ Assist in the identification and initial cultivation of a select number of priority prospects deemed essential to the success of the campaign.

Campaign Steering Committee Membership

- ▶ The Campaign Steering Committee should include individuals who:
 - Are highly regarded in their community.
 - Are enthusiastic about the mission of the MBNEP.
 - Are willing to give the time and energy necessary to ensure a successful campaign.
 - Have the capacity to make a substantial personal and/or business financial contribution to the campaign (payable by December 31, 2004).
- ▶ The size of the Campaign Steering Committee should be approximately 8 to 10 members. It should include the chairs of the campaign committees and influential leaders from throughout the communities impacted by the work of the MBNEP.

Support Resources

Executive Director:

Michael Multari

Director of Development:

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Planning

Prospect Review Task Force

Purpose

The purpose of the Prospect Review Task Force is to assist in the development of a list of qualified prospective campaigners and donors for the 2004 MBNEP major gifts campaign. The prospect identification and screening process will be a fundamental step leading to the overall success of the campaign.

Responsibilities

- ▶ Meet as needed from September 2003 through April 2004 to complete the prospect review process.
- ▶ Identify and evaluate a total of approximately 6 to 9 *campaigner prospects* for the Ambassador's Circle Committee.
- ▶ Identify and evaluate a total of approximately 12 to 15 *campaigner prospects* for the Guardian's Circle Committee.
- ▶ Identify and evaluate a total of approximately 13 to 15 *donor prospects* for solicitation by the Ambassador's Circle Committee—individuals, businesses and foundations with the capacity to make a gift at the level of \$5,000 and above.
- ▶ Identify and evaluate a total of approximately 40 to 50 *donor prospects* for solicitation by the Guardian's Circle Committee—individuals, businesses and foundations with the capacity to make a gift in the range of \$1,000 to \$5,000.
- ▶ Provide the correct name, address, phone number, known giving history and any other information that might be helpful in securing a contribution to the campaign.

Task Force Membership

- ▶ The Prospect Review Task Force should include individuals who:
 - Are knowledgeable about the communities that are impacted by the work of the MBNEP.
 - Are enthusiastic about the mission of the MBNEP.
 - Are knowledgeable about individuals, businesses and foundations that might be prospective donors for the MBNEP major gifts campaign.
 - Are willing to help identify the most appropriate "ask for" amount and solicitation team for selected prospects.
 - Are willing to give the time and energy necessary to help make the prospect review process a success.
- ▶ The size of the Prospect Review Task Force should be approximately 8 to 10 members. It should include the chairs of the key campaign committees and representation from the Bay Foundation Board of Directors and the Friends of the Estuary Board of Directors. The membership should also include influential leaders from the communities that will be asked to support the annual campaign.

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Planning

Leadership Gifts Committee

Purpose

The purpose of the Leadership Gifts Committee (LGC) is to set a high standard of giving for the campaign, one that will inspire other to give at the highest level of their personal capacity.

Responsibilities

- ▶ Seek and secure, on a face-to-face basis, challenging commitments from *100 percent* of the MBNEP leadership group including:
 - Leaders of the major gifts campaign and other key volunteer leaders
 - Members of the Bay Foundation Board of Directors
 - Senior MBNEP staff members
- ▶ Challenge these individuals to make sacrificial personal and/or business gifts to the campaign.
- ▶ Secure 10 to 15 percent (\$5,000-\$1,500) of the overall 2004 personal solicitation goal of \$50,000 from the MBNEP “inner family.”

Asking for Gifts

- ▶ It is recognized that, among the leadership gift prospects, there will be considerable variance in the *capacity* to contribute to the annual campaign. Still, the degree to which every leader “stretches” in making his/her own gift is very important. Meaningful giving from the leadership will have a *direct* bearing on what can be expected from others who are less involved. Potential donors frequently ask, “*What has the leadership group given?*” The Leadership Gifts Committee will ensure this question is answered in a timely and most positive manner.
- ▶ LGC members will be asked to confirm their own personal commitment to the annual campaign prior to asking others for gifts. Such commitments should be made prior to or soon after the LGC kickoff meeting.
- ▶ LGC members will generally not be assigned to ask others for gift amounts larger than their personal commitment, although there may be exceptions to this rule. In all instances, the primary criteria in selecting the campaigner(s) should be the individual or team of individuals that is most likely to secure the largest gift.
- ▶ Solicitations should be conducted in teams of two or three individuals. Ideally, the team should include a LGC member and another volunteer who have already given, plus a staff member (or campaign counsel, if available).

Scope of Commitments

Certain corporate and community gifts may be counted in the Leadership Gifts category if such gifts are made as a direct result of a committee member’s involvement. For example:

- Bradley Bates, a Steering Committee member, is the president of a furniture company; he makes a personal gift of \$5,000 and also obtains a corporate pledge of \$2,000 from

his company. These pledges can be combined for a total of \$7,000 to his credit in the Leadership Gifts category.

- Clarissa Clark, a Bay Foundation board member, and her husband Carl pledge \$100 per month for 12 months years totaling \$1,200. Her uncle, who has a charitable foundation in New York, contributes an additional \$10,000 because of his special relationship with Clarissa. Thus, Clarissa is credited with \$12,000.

NOTE: The number of leadership gifts and the aggregate dollar value of these gifts will be announced by the LGC at appropriate points during the campaign to the campaign leadership. Each individual's gift will also be formally reported during the phase of the campaign in which he/she works as a campaigner. (In the event a leader does not participate as a campaigner, his/her gift will be credited to the individual who solicited the gift, or may be credited to the appropriate campaign phase based on the gift size.)

Committee Members

The Leadership Gifts Committee should include three to five highly regarded members of the MBNEP leadership group who have the capacity and willingness to make their own stretch commitments to the project and the willingness to ask others to join them in making a gift.

Support Resources

Major Gifts Steering Committee Chair:

Leadership Gifts Committee Chair:

Executive Director:

Michael Multari

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Planning

Ambassador's Circle Committee

Purpose

The purpose of the Ambassador's Circle Committee is to raise \$25,000, through face-to-face solicitations of individuals and businesses toward the overall 2004 major gifts goal of \$50,000.

Responsibilities

- ▶ Identify, evaluate and solicit prospective contributors in the range of \$5,000 and above (payable by December 31, 2004).
- ▶ Hold an organizational meeting of the Ambassador's Circle Committee and periodic progress and review meetings.
- ▶ Assist in the selection and assignment of Ambassador's Circle prospects.
- ▶ Personally present the MBNEP annual campaign case to selected individuals, foundations and organizations.

Committee Members

The committee should consist of two to three individuals who:

- ▶ Have a genuine appreciation for the work of the MBNEP and of the need for a strong financial development program.
- ▶ Have the ability to articulate the needs of the MBNEP and the willingness to serve as key public spokespersons on behalf of the organization.
- ▶ Have the capacity and willingness to make a personal, family and/or business commitment to the campaign at the Ambassador's Circle level to help establish a clear standard for others in the campaign to follow.

Support Resources

Major Gifts Steering Committee Chair:

Ambassador's Circle Committee Chair:

Executive Director:

Michael Multari

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Planning

Guardian's Circle Committee

Purpose

The purpose of the Guardian's Circle Committee is to raise \$25,000 from individuals, businesses and the community at large toward the overall 2004 major gifts goal of \$50,000.

Responsibilities

- ▶ Identify, evaluate and solicit prospective contributors for gifts in the range of \$1,000 to \$4,999 (payable by December 31, 2004).
- ▶ Hold an organizational meeting of the Guardian's Circle Committee and periodic progress and review meetings.
- ▶ Assist in the selection and assignment of Guardian's Circle prospects.
- ▶ Personally present the MBNEP annual campaign case to selected individuals, foundations and organizations.

Committee Members

The Guardian's Circle Committee should consist of four to five members who:

- ▶ Have the ability and willingness to secure four to five gifts of \$1,000 and above.
- ▶ Have a strong commitment to the work of the MBNEP and are able to serve as a public spokesperson on behalf of the annual campaign.
- ▶ Have the willingness and capacity to make a personal, family and/or business commitment to the campaign at the Guardian's Circle level to help establish a clear standard for others to follow.

Support Resources

Major Gifts Steering Committee Chair:

Guardian's Circle Committee Chair:

Executive Director:

Michael Multari

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Position Description – Steering Committee Chair

Criteria: An individual whose identification with the project will increase its significance in the minds of the Bay Foundation Board of Directors, the public at large and individuals who will be called upon to make significant commitments to the annual campaign. One who has a genuine appreciation for the mission of the MBNEP, can articulate the organization's needs and has the capacity to make a significant gift.

Basic

Responsibilities: Provide inspirational leadership for approximately 25± volunteers organized to raise \$50,000 in unrestricted operating funds in 2004.

Time Frame: September 2003 – November 2004

Specific Tasks:

- Serve as the chair of the overall 2004 personal solicitation campaign, providing encouragement and assistance to other campaign leaders, as needed.
- Help to identify and recruit the chairs of the Prospect Review Task Force and the Leadership Gifts, Ambassador's Circle and Guardian's Circle Committees.
- Personally present the MBNEP 2004 annual campaign case to selected individuals, businesses, foundations and organizations.
- Make a generous personal/family and/or business commitment to the campaign to help establish a clear standard for others to follow.
- Participate actively in the campaign, attending key events such as donor cultivation and recognition activities.

Support Resources:

Financial Development Committee Chair:

Executive Director: Michael Multari

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Position Description – Leadership Gifts Committee Chair

Criteria: An individual whose leadership will increase the significance of the campaign in the minds of the Bay Foundation Board of Directors, campaign leaders and senior staff, when they are called upon to make a commitment; one who has a genuine appreciation for the mission and goals of the MBNEP and the annual campaign, can articulate the MBNEP needs; one who has the capacity to make a significant gift.

Basic

Responsibilities: Recruit and work with a team of three to five Leadership Gifts Committee members toward a goal of securing 100 percent participation of all members of the MBNEP leadership group and to raise 10 to 15 percent of the \$50,000 2004 campaign goal.

Time Frame: August – November 2002

Specific Tasks:

- ▶ Serve as a member of the campaign Steering Committee.
- ▶ Enlist and work with three to five committee members.
- ▶ Preside at all Leadership Gifts Committee meetings.
- ▶ Assist in the evaluation and assignment of Leadership Gifts donor prospects.
- ▶ Maintain periodic contact with committee members to monitor and encourage their timely contact with prospects and encourage them to work in teams of two or three to ensure the best possible presentation of the campaign case.
- ▶ Personally present the MBNEP annual case to selected leaders.
- ▶ Make a generous personal/family and/or business commitment to the campaign to help establish a clear standard for others to follow.

Support Resources:

Major Gifts Steering Committee Chair:

Executive Director: Michael Multari

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Position Description – Prospect Review Task Force Chair

Criteria: One who has a genuine appreciation for the mission of the MBNEP and knowledge of the communities it serves; an individual who is able and willing to lead others in the sensitive process of identifying and evaluating potential campaign leaders and donor prospects.

Basic Responsibilities: Provide strong, motivational leadership for a five- to seven-member Prospect Review Task Force whose members have knowledge of corporations, foundations, individuals and families in the MBNEP service area. The goal of the Prospect Review Task Force is to identify 40-55 prospective campaigners and 450± prospective contributors for solicitation by the four campaign committees.

Time Frame: September 2003 – February 2004

Specific Tasks:

- ▶ Serve as a member of the campaign Steering Committee.
- ▶ Enlist five to seven individuals, including a MBNEP staff member, a representative from the Bay Foundation Board of Directors and representatives of prospective donor communities.
- ▶ Work with the task force to identify individuals who have the potential to make significant gifts to the 2004 campaign.
- ▶ Preside at all Prospect Review Task Force meetings.
- ▶ Make a generous personal/company commitment to the campaign to help establish a clear standard for others to follow.

Support Resources:

Major Gifts Steering Committee Chair:

Executive Director: Michael Multari

Director of Development:

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Position Description – Ambassador’s Circle Committee Chair

Criteria: An individual whose identification with the campaign will increase its significance among the general public and among those who will be called upon to make significant commitments to the annual campaign; one who has a genuine appreciation of the MBNEP, can articulate its case for support and has the capacity to make a gift at the Ambassador’s Circle level.

Basic

Responsibilities: Provide strong leadership to a committee of two or three volunteers with a goal to raise \$25,000 in contributed gifts of \$5,000 and above toward an overall 2004 goal of \$50,000; serve as a key spokesperson for the annual campaign.

Time Frame: May 2004 – July 2004

Specific Tasks:

- Serve as an active or advisory member of the MBNEP Financial Development Committee for matters pertaining to the calendar year 2004 annual campaign.
- Enlist and work with two to three volunteers to solicit prospective contributors in the range of \$5,000 and above.
- Preside at meetings of the Ambassador’s Circle Committee and maintain periodic contact with committee members to monitor their progress and encourage timely contact with prospects.
- Assist in the selection, evaluation and assignment of Ambassador’s Circle prospects.
- Help present the MBNEP case to selected individuals, corporations, businesses and organizations.
- Make a generous personal, family and/or business commitment to the annual campaign at the Ambassador’s Circle level to help set a clear standard for others to follow.

Support Resources:

Major Gifts Steering Committee Chair:

Executive Director: Michael Multari

Director of Development:

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Position Description – Guardian’s Circle Committee Chair

Criteria: An individual whose identification with the project will increase its significance in the minds of the public at large and among those who will be called upon to make commitments to the campaign. One who has a genuine appreciation for the mission of the MBNEP, can articulate the organization’s needs and has the capacity to make a gift at the Guardian’s Circle level.

Basic Responsibilities: Provide strong, motivational leadership for a four- to five-member Guardian’s Circle Committee with a goal to raise \$25,000 in contributed funds toward the \$50,000 2004 major gifts campaign; serve as a key public spokesperson in behalf of the project.

Time Frame: May – July 2004

- Specific Tasks:**
- Serve as a member of the Campaign Cabinet.
 - Enlist and work with eight to ten committee members organized to focus on prospective contributors in the range of \$1,000 to \$5,000 and above.
 - Preside at all Guardian’s Circle Committee meetings and maintain periodic contact with committee members to monitor and encourage timely contact with prospects.
 - Assist in the selection, evaluation and assignment of Guardian’s Circle prospects.
 - Personally present the MBNEP annual campaign case to selected individuals, businesses, foundations and organizations.
 - Make a personal/family commitment to the campaign at the Guardian’s Circle level.

Support Resources:

Major Gifts Steering Committee Chair:

Executive Director: Michael Multari

Director of Development:

MORRO BAY NATIONAL ESTUARY PROGRAM

Financial Development Plan

Proposed Job Description

Position:	Director of Development
Reports To:	MBNEP Executive Director
Supervisory Authority:	None

General Responsibilities:

Provide staff support to the MBNEP Financial Development Committee and oversight of the MBNEP financial development program to ensure that the program is successful on an annual basis and that it maintains an overall strong rate of growth.

Specific Duties:

- ▶ Develop a fundraising general plan each year.
- ▶ Manage the day-to-day implementation of the annual fundraising plan.
- ▶ Help identify and cultivate prospective donors.
- ▶ Help identify and cultivate prospective volunteer fundraising leadership.
- ▶ Train volunteers in the techniques of face-to-face solicitation.
- ▶ Prepare agendas and support materials for all fundraising committee meetings.
- ▶ Oversee the grants program, including submission and tracking of grant applications, prospect research and correspondence with grantors.
- ▶ Assist volunteers with the planning and production of fundraising special events.
- ▶ Oversee the preparation of fundraising mail appeals and manage the mailing list.
- ▶ Select an appropriate donor management software program and manage the donor information database.
- ▶ Hire, train, supervise and evaluate financial development staff, as appropriate.

Standards of Performance

- ▶ Develop and implement a comprehensive financial development program for the MBNEP in keeping with the recommendations of the Financial Development Plan.
- ▶ With assistance from volunteer fundraising leadership, develop the MBNEP donor base to insure a sufficient number of prospects at required levels to meet annual projections for the personal solicitation program.
- ▶ With assistance from volunteer fundraising leadership, develop a trained and motivated cadre of volunteers to fulfill committee requirements for the personal solicitation program.

- ▶ Achieve projected growth levels in all aspects of the annual campaign: personal solicitations, direct mail solicitations, tributes and memorials, grants and special events.
- ▶ Build the annual giving program to produce a minimum of \$431,200 by 2008 (major gifts, direct mail, tributes & memorials, foundation grants and special events).
- ▶ Demonstrate strength in the following areas:
 - Planning and evaluating the financial development program.
 - Managing the development budget.
 - Identifying prospective donors and working with volunteers to cultivate their interest in the MBNEP.
 - Motivating volunteers.
 - Training and supporting volunteers in the identification, cultivation, solicitation and recognition of donors.
 - Developing innovative strategies for the acquisition of new donor prospects.