



Capital Ideas?

This edition of the Colorado Nonprofit Insider focuses on capital campaigns, and the role of grants in a capital campaign. Capital campaigns are intensive multi-year fund-raising efforts focused on securing gifts and pledges for physical improvements, new construction, expansion or creation of an endowment, or a combination of all three. For those who have never completed one, few things are more confusing, overwhelming or misunderstood than a capital campaign. An established organization that wants to expand often believes that writing a grant proposal for a capital campaign is more complicated than their standard grant requests. However, the hard work in carrying out a capital campaign isn't the grant proposal, but several key steps that precede the proposal, including:

- A feasibility study, which helps you understand how your prospective donors and stakeholders perceive your organization and your proposed project.
- A strong capital campaign committee of your board and key volunteers.
- A case statement that carefully demonstrates why your organization needs to expand, how your constituency will benefit, and what specific results you will achieve.
- A strong, specific plan to renovate or purchase a facility, with plans developed by an architect and builder.
- An initial effort to solicit funds from major donors that already have ties to your organization.



In other words, before you request funds from outsiders, you must do a substantial amount of work. By the time you complete the above steps, you more than likely will already have the materials you need for a grant proposal.

For a new or young organization, as Timothy Schultz, President and Executive Director of the Boettcher Foundation says (see page 2), it is almost never feasible to successfully carry out a capital campaign. We recommend that young organizations provide services, document their successes and build trust with local funders for a number of years before seeking capital funding.

See inside for more details on these topics, along with our upcoming classes and ongoing services.

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Excerpts from previous issues available at <http://www.coloradogrants.org/non-profit/grant-writing.php>

All content was written Colorado Grants, which has raised more than \$100 million for Colorado nonprofits.



Colorado Grants can be reached at 303-477-3225, jkatz@coloradogrants.org, and www.coloradogrants.org

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Capital Campaigns and Grants: The Boettcher Foundation

Demystifying the grant application process



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- Established in 1937 by Charles Boettcher and Claude Boettcher.
- In 2007, the Boettcher Foundation awarded \$10.5 million through 231 grants. In addition, unpaid grant commitments exceeded \$24 million. Throughout the year, 330 letters of inquiry were considered by the Foundation.
- Each grant application starts with a letter of inquiry process.
- The Foundation does not have specific deadlines; its board of trustees meets three times a year to consider capital grant proposals.
- Grantmaking focus is on capital projects. The Foundation does not accept requests for operations or program support.
- The Boettcher Foundation also allocates \$1 million for a teacher training initiative, \$2 million for biomedical research, and close to \$3 million for undergraduate college scholarships.

For more than 70 years, the Boettcher Foundation has been one of Colorado's leading grantmakers for capital campaigns and building projects. The Foundation builds on the Boettcher family's colorful 140 year legacy in Colorado. Charles and Claude Boettcher were pioneers in hardware retail, construction, and construction financing. The Foundation's giving is legendary, with gifts that led to the completion of the Boettcher Concert Hall and the Denver Botanic Gardens' Boettcher Conservatory, and the donation of the Claude and

According to Boettcher Foundation President and Executive Director Timothy Schultz, the foundation works with established organizations that have crafted a well-organized plan for their building project, and that have completed a substantial fund-raising campaign with their own donors and constituency.

Mr. Schultz says, "As a general rule of thumb, I think people need to raise 50% of their funds in the quiet phase of their capital campaign before they approach foundations. A substantial amount of the

The Boettcher Foundation requires that nonprofits raise between one-half to two-thirds of their capital budget before submitting a proposal.

Edna Boettcher home to Colorado for use as the Governor's Mansion. Charitable giving for capital projects was and continues to be a natural extension of the Boettcher family's generosity to Colorado.

Today, the Boettcher Foundation provides capital grants to nonprofit organizations in the areas of arts and culture, community and social services, education and healthcare. Over the past two years, the Boettcher Foundation has funded major projects such as a new Boys and Girls Club branch in Brighton, the new Gathering Place building, and a new clinic at the National Jewish Medical and Research Center.

funds need to be raised from other sources closest to the project." In other words, the Boettcher Foundation expects your board members, major donors and other community supporters to demonstrate strong financial commitment to the project before the organization approaches the foundation.

A 2005 article in the Chronicle of Philanthropy ("Crafting a Capital Campaign," November 10, 2005) cites that 25% to 30% of gifts to a capital campaign, and as much as 50%, will come from an organization's trustees. While not every organization will have that high level of giving from their board,

they do need to carry out an effective feasibility study prior to beginning a capital campaign (*see related article on page 6*) to make sure that substantial community support will be available. Organizations should never look to grants to fund an entire capital campaign.

Boettcher Foundation grants process (see page 4 for tips on writing your proposal)

The Boettcher Foundation requires an applicant to raise between one-half to two-thirds of their capital budget before considering a grant proposal. Their grant awards are made as challenge grants, meaning the funds are not released until the balance of your capital budget is raised. (Note that the Boettcher Foundation **does not** accept general operating or program grant requests.)

After the Boettcher Foundation receives a letter of inquiry, staff review the materials and speak to the applicant to determine whether or not they are a good fit for the foundation. According to Julie Lerudis, Director of the Boettcher Foundation's Grants Program, "We will invite you to submit a full proposal to our Board of Trustees only if we feel that it has a strong opportunity to be funded. If your organization is not eligible to be funded, we will inform you early on. If we think you fit the criteria and have a strong case, we will become advocates for your organization."

Katie Kramer, the Boettcher Foundation's Vice President and Assistant Executive Director, adds, "Our job here is to give away money, that's what we're paid to do. We try to make the process as easy as possible."

The Boettcher Foundation's trustees want to see a well-organized and well-thought-out capital campaign that will help an organization expand its capacity to help more Coloradans. Timothy Schultz says, "We're going to invest with someone who we believe is going to do it right."

Unlike other capital grantmakers, the Boettcher Foundation does not use a percentage-based formula to determine the size of its grants. Instead, it

evaluates each project based on the scope, the importance to the community, and the type of service provided.

Collaboration and partnerships

Collaboration is a major consideration for the Boettcher Foundation's review process. According to Katie Kramer, "When organizations are not aware of other organizations that provide similar services, that's a weakness in their proposal." She adds that "Joint letters between a couple of organizations really impress us."

Timothy Schultz adds that innovative partnerships between local government and nonprofit organizations can make an application strong. He gives the example of a rural school applying for capital funding so that its cafeteria can be available to a senior meal program.



First-Time Applicants and New Nonprofits

Timothy Schultz, Katie Kramer and Julie Lerudis are all very clear that they encourage first-time applicants to approach the foundation. The Boettcher Foundation is active in Rural Philanthropy Days, and reaches out to nonprofits statewide to encourage them to apply. They counsel urban, suburban and rural nonprofit staff individually to help them plan their letter of inquiry or grant application, and to better understand the foundation's requirements.

If you are a new or young nonprofit with early plans to purchase or renovate a building, the Boettcher Foundation is highly unlikely to consider your request. "Generally, our founders wanted us to fund existing organizations that have an established history," says Timothy Schultz. He adds that like most foundations, the Boettcher Foundation encourages young and new nonprofits to build a track record of success before pursuing a capital campaign. "Nonprofit boards can do a disservice to urge the organization to buy a building too early in their history. It's better to get their programs up and running first. Carrying out a building project can be a headache, and nonprofits need to be prepared to deal with that process."

“Nonprofit boards can do a disservice to urge the organization to buy a building too early in their history.” -- Timothy Schultz, President, Boettcher Foundation

A blend of funder and nonprofit perspectives.

Like many foundations, Boettcher Foundation staff have worked in the nonprofit sector. For example, Julie Lerudis, Director of the Boettcher Foundation’s grants program, previously worked for nonprofit organizations for several years as an auditor. She understands that fund-raising is not the

favorite activity of nonprofit leaders. She says, “Their desire and passion is to provide their services, not carry out a capital campaign. It’s my job to make it easier to submit a proposal to our foundation.”

Quick tips: writing the grant proposal to the Boettcher Foundation

- **Call the Foundation for guidance.** Staff want to work with you as colleagues to determine whether or not your organization meets the Boettcher Foundation’s criteria, and to guide you on how to best present your information. You are encouraged to contact them early in the process to obtain feedback as to whether or not your organization’s capital project may qualify for a grant award.
- **Read the guidelines very carefully.** According to Timothy Schultz, “It’s frustrating when nonprofits don’t do their homework by reading our guidelines and visiting our website.”
- **Complete your initial fund-raising.** The Boettcher Foundation requires that you raise between one-half to two-thirds of your capital budget before submitting your grant request.
- **Don’t load the proposal with the kitchen sink.** Respond to the guidelines and present your information honestly and concisely. “If an applicant is not giving me the information that I need, I’ll let them know what additional information is needed,” says Julie Lerudis.
- **Help the Boettcher Foundation staff present the case for your organization to their board of directors, which makes the funding decisions.** According to Katie Kramer, “We’re all part of the same team. We can’t do our jobs without one another. We don’t want to make it more difficult. Our job is to help them get money.”
- **Avoid the glitz.** According to Julie Lerudis, “We want substance over style. The only people who will see any fancy presentation materials are our foundation’s staff.” The Boettcher Foundation’s trustees will only see a summary of your proposal materials as prepared internally by staff ♦

Why an established nonprofit does not necessarily need to hire an outside consultant to write their grant proposals

An established organization that already has a common grant format grant proposal is better off refining its existing materials and applying for a grant, rather than hiring an outside consultant. If your concept and your organization are strong, and you have existing relationships with funders, just contact the foundation to begin a dialogue about your project and how to best proceed with a grant request. Program officers at foundations won’t send your proposal to their trustees until they believe your proposal is strong and compelling enough for consideration, and will work with you to get the information that they need. Writing the proposal will be the easy part. Building the relationship and making the case for your project over the phone or in-person is the hard work.

Case Histories: Capital Campaigns in Action

Cerebral Palsy of Colorado: Lowry Headquarters

Cerebral Palsy of Colorado (CP of Colorado) built a 61,427 square foot facility in Denver's Lowry neighborhood, adding early education classrooms, space for its employment program, a new charter school, meeting space for its grassroots network of parents and individuals with disabilities, and administrative offices. While CP of Colorado's new building is complete, the capital campaign continues to retire funds secured through a construction bond, and to add 13,000 square feet to the building.

Judy Ham, President and CEO of CP of Colorado, says the organization's extensive planning was key. "Our feasibility study anchored our campaign, telling us what was possible."



CP of Colorado's new facility

The organization had to expedite the capital campaign because the new charter school needed to open its doors by fall 2007. The organization's board elected to secure bond financing to complement grants and donations and meet the deadline. According to Judy Ham, "Sometimes you have to risk what you believe in, and do some calculated risk taking." Once the building was complete, seeing the building and what the organization could now accomplish changed the minds of some funders who previously were not interested in the project.

Fund-raising for the campaign went well because staff remained focused. Judy Ham says, "When you create a buzz about what you're doing, and people get to see it, everyone's excited. Know every donor! Whether or not you use a consultant or hire in house, you have to do the legwork and not hand off the responsibility to someone else." CP of Colorado clearly demonstrated to funders how more children, adults and families would benefit once the building was completed.

Judy Ham cautions organizations to never submit a grant proposal without meeting or speaking with the funder first. She adds that CP of Colorado regularly updated funders on their progress. "They want to hear the exciting stuff about your campaign. They want you to check in with them. You need to make that part of your norm. Because that's a fair expectation."

St. Francis Center: Cornerstone

St. Francis Center is in the middle of a capital campaign to create 50 units of low- and very low-income housing, of which 34 units will be intended for chronically homeless individuals and couples. The new facility will be built in 2009 next to St. Francis Center's shelter. St. Francis Center has served the community since 1983.

According to Andrew Spinks, Development Director for St. Francis Center, the capital campaign can ultimately strengthen the organization. "In a perfect world, you develop new capacity through a capital campaign. People get excited about a capital project, and you end up tapping into new and unique funding sources, engaging funders at a different level for a different purpose. That's a perfect world scenario. In the real world it's hard to do."

Nonprofit groups often have to choose between asking a foundation supporter for operations support, or for the capital campaign. Andrew Spinks says, "We can pursue the typical amount of funding for general operating, or a historic amount for the capital campaign. Organizations have to make hard decisions when they're running a capital campaign."

St. Francis Center's project has been successful because it tapped into support from foundations that are very familiar with its work, and have supported the agency previously. The organization has a 25 year history, and previously received capital support from major Colorado foundations. Andrew Spinks says this history helped the grants process. He adds, "Your project has to sell itself. We presented our project as a solution for addressing homelessness. We're a well-organized and strong organization that can carry out what we proposed."

Foundations, knowing that the organization has achieved positive outcomes while also responsibly managing funds, were willing to provide grant funding. Andrew says, "What surprised me was how supportive and amazingly positive their trustees were about the process and seeing the project constructed. They gave at historic levels."

Capital Campaign: Phases to complete before applying for a grant

- **Carry out a feasibility study**, which helps you understand how your prospective donors and stakeholders perceive your organization. Identify the benefits and outcomes that will result if you successfully carry out the campaign, and present those to potential donors. Do donors understand the importance of what you are proposing? Does your organization have the capability and capacity to successfully carry off the campaign? Are there enough financial resources available to potentially support your organization? Often, an outside consultant leads this study, conducting interviews with stakeholders of your organization (staff, donors, board members), grantmakers and other major funders.



- **Create capital campaign committee of your board and key volunteers** to decide whether or not to move the project forward. The committee oversees the implementation of the campaign.
- **Create very specific plans to renovate or purchase a building.** For a new building, you need to nail down a location first, along with architectural plans and cost estimates. Also create opportunities for naming buildings, rooms, and major design elements.
- **Build a case statement that carefully demonstrates why your organization needs to expand**, how your constituency will benefit, and what specific results you will achieve. For example, the Lighthouse Literacy program

wants to build new classrooms for its afterschool program. It would first identify how current services improves the behavior and academic skills of hundreds of children. Lighthouse Literacy would then speak to how many children are turned away because the building is too small, or the facility is outdated. It would describe how there are no other options for those

students to receive tutoring. It might include student scores on standardized tests and graduation rates to show the failure rate if no services are available.

- **Begin to solicit funds from major donors.** This fund-raising period is typically referred to as the quiet phase of a capital campaign. The idea is to attract some major lead gifts to launch the campaign.
- **Make your campaign public, and continue to solicit support from individual donors.** With one or two exceptions, most major grantmakers will not award a grant until the organization has raised close to 50% of the capital budget. In other words, grants are awarded only after the organization has done the hard work of cultivating major gifts from its own donors.
- **Begin to solicit grants, but always contact or meet with funders before sending the request** ♦

Why a new or young nonprofit should not carry out a capital campaign

We get a lot of calls from young nonprofit organizations that want help writing grant proposals for a capital campaign. It is very rare for us to accept the work, as it's almost never the right option. Frequently, our help is requested before an organization has conducted the essential elements of planning and carrying out a capital campaign.

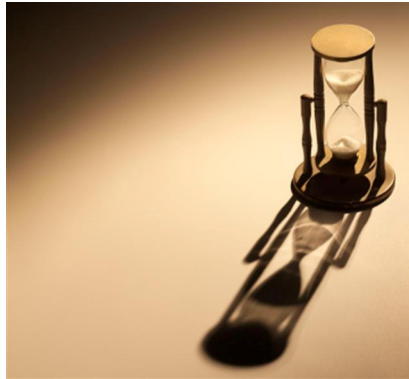
In only extremely rare instances is a capital campaign the first activity of a new nonprofit organization. Capital campaigns are carried out by organizations that have a history of success in the community, have strong support from an existing donor base, and are already known to foundations and grantors. A new organization is better off renting a facility to start its operations, generating results, building community support, and gaining the technical expertise to grow the group. A capital campaign will fail for a new organization ♦

Selected Upcoming Grant Deadlines

See www.coloradogrants.org for a complete list of deadlines

September

[Animal Assistance Foundation](#) (Colorado)
[Aspen Community Foundation](#) (W. Eagle, Garfield, Pitkin Counties), 9/1
Bloedorn Foundation (Morgan County; some Denver), 9/15
[Bohemian Foundation](#) (Larimer County)
[Broomfield Community Foundation](#) (Broomfield County), 9/1
[Temple Hoyne Buell Foundation](#) (Colorado), 9/1
[Community Foundation Serving Boulder County and Weld County](#), 9/1
[General Service Foundation](#) (National; foundation based in Colorado), 9/1
[Junior League of Denver](#) (Denver metropolitan), 9/14
The Freda Maytag-Grace Crawford Trust Fund (El Paso County)
Luther T. McCauley Charitable Trust (El Paso County), 9/30
[U.S. Bank](#) (Denver metropolitan; El Paso, Larimer, Mesa, Pueblo and Weld Counties), 9/30
[Wolcott Family Foundation](#)
[Women's Fund of Weld County](#) (Weld County), 9/1
[Yampa Valley Community Foundation](#), 9/15



October

[Bamboo Fund](#) (Denver metropolitan), 10/15
[Bonfils Stanton Foundation](#) (Colorado), 10/31
[Burt Foundation](#) (Colorado)
[Caring For Colorado](#) (Colorado)
Chamberlain Foundation (Pueblo County), 10/1
[Concerts for Kids](#), 9/30
[Denver Foundation](#) (Denver metropolitan), 10/1
Duncan Trust (Colorado), 10/31
E.M. Christmas Foundation, 10/1
[Gates Family Foundation](#) (Colorado), 10/1
William and Velma Gerber Trust (Yuma County), 10/15
Fred and Elli Iselin Foundation (Pitkin County; some statewide), 10/31
[Helen K. and Arthur E. Johnson Foundation](#) (Colorado), 10/1
Joslyn Charitable Trust (El Paso County), 10/31
[Rollie R. Kelley Family Foundation](#) (Denver and statewide), 10/1
Monfort Family Foundation (Northern Colorado), 10/1
[Laura Jane Musser Fund](#) (Denver metropolitan)
Aksel Nielsen Foundation (Colorado), 10/31
[David and Lucille Packard Foundation](#) (Pueblo County), 10/1
H. Chase Stone Trust (El Paso County), 10/30
[Sutherland Foundation](#) (Primarily Northern Colorado), 10/1

[Telluride Foundation](#) (San Miguel County)
Harry W. & Louis L. Vicksman Charitable Trust (Denver metropolitan)
Weckbaugh Foundation (Colorado), 10/1

November

[Community Foundation Serving Greeley and Weld County](#)
[Adolph Coors Foundation](#)(Colorado), 11/1
[Donahue Foundation](#) (Primarily Denver metropolitan)
ECA Foundation (Colorado), 11/1
[Gunnison Area Community Foundation](#), 11/1
[Hewlett Packard Company](#) (Northern Colorado and Colorado Springs), 11/1
Luther T. McCauley Charitable Trust (El Paso County)
Joslin-Needham Family Foundation (Morgan County), 11/1
[Morris Animal Foundation](#) (Colorado), 11/1
Jack Petteys Memorial Foundation (Northeast Colorado), 11/15
[Pikes Peak Community Foundation](#) (El Paso/Teller Counties, adjacent communities), 11/1
[Poudre Valley Hospital Foundation](#) (Larimer County and Weld County)
Robert Hoag Rawlings Foundation (southern and eastern Colorado), 11/1

December

The Freda Maytag-Grace Crawford Trust Fund (El Paso County)
[Nord Family Foundation](#) (Denver metropolitan area), 12/1
[Schlessman Family Foundation](#) (primarily Denver metropolitan), 12/31
Walter and Elizabeth Lipe Trust (Denver metropolitan), 12/1
[Longmont Community Foundation](#), 12/1
Shoup Charitable Trust (Larimer County), 12/1

No deadlines (see website for full list)

[Boettcher Foundation](#) (Colorado; capital requests only)
[Daniels Fund](#) (Colorado)
[El Pomar Foundation](#) (Colorado)
Virginia Hill Foundation (Colorado)
Hughes Trust (Colorado)
[Kaiser Permanente](#) (Denver and Colorado Springs)
[Louis and Harold Price Foundation](#) (Boulder County, Pitkin County, and Colorado)
[Qwest Foundation](#) (Colorado)
[Rose Community Foundation](#)
[Wells Fargo Foundation](#) (Colorado)
Melvin & Elaine Wolf Foundation (Denver metropolitan)

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http://www.surveymonkey.com/s.aspx?sm=fIWRc2fWioJcDIzbQEDohA_3d_3d

CUSTOMIZED SERVICES

PROPOSAL WRITING: Since 1997, Colorado Grants has helped raise \$100 million for Colorado's nonprofit organizations, and can help your organization find and obtain grant funding. We can develop foundation, corporate, state, and federal grant proposals.

PROSPECT RESEARCH: We will generate 10-15 foundation prospects for your organization, with detailed information about the funder tailored to your organization.

TECHNICAL REVIEW OF YOUR GRANT PROPOSAL: We provide a professional review of your proposal, with scoring criteria and specialized feedback similar to what a grantmaker would provide.

COACHING AND MENTORING FOR YOUR PROPOSAL WRITER is designed to help your staff or volunteer grant proposal writer understand proposal writing and its intricacies.

CUSTOMIZED TRAININGS are available in nonprofit fund-raising, financial management, grant proposal writing, volunteer management, board development, strategic planning.

Call Jay Katz at 303-477-3225, or email him at jkatz@coloradogrants.org for information about these services

CLASSES

Updates and registration info at <http://www.coloradogrants.org/resources/classes.php>

All classes held at 24th and Welton, north of downtown Denver



FR1: Grant Proposal Writing Basics

Beginner level class: This free class features an overview of grant proposal writing, including the key components of the Colorado common grant application format and what to expect from a funder, and will include plenty of time for questions.

Dates offered: September 12, October 10

10am-11:30pm

Free class (class size limited)

FR2: Think Like A Grantmaker and Write Gold Medal Grants

Beginner – intermediate class: How would you like to receive personalized feedback on your existing grant proposal from a team of grant reviewers? Review proposals with your peers, and identify strong and weak parts of a proposal. Receive instant feedback on your own proposal from our peer “review committee” and from a professional grant writer with 15 years of experience. **This workshop is targeted toward organizations that already have a Colorado common grant-formatted proposal.**

Dates offered: September 23, October 22

1pm-4pm

Tuition: \$85

FR3: Who Will Fund Our Organization?

Beginner – intermediate class: Your job is to do more than write a proposal, put stamps on the envelope and wait for the grant award to appear. Your job is to research the different funders that might support your program. Your job is to really understand what those funders are truly interested in supporting. Learn how to research funders in Colorado and nationally, track grant awards that they have made, and interpret information accurately. Bring your laptop (wireless internet enabled) for a two hour overview on how to research appropriate funders for your organization.

Dates offered: September 15, October 14

1pm-3pm

Tuition: \$45