

THE ELEMENTS OF FUND DEVELOPMENT FOR CONSERVATION LAND TRUSTS

A WORKING PRIMER

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INTRODUCTION

I once heard a prominent and somewhat self-important person in a large city voice an interest in working with powerful and well-known conservation organizations of the sort that are readily identified by their initials alone. “Although I’m sure they do a good job, I’m not really interested in the little land trusts. I want to put my attention where the real action is.” I found a way to politely disagree with her assessment; we parted friends but I was sure that I wouldn’t be doing much work with her for the simple reason that I could not have disagreed more deeply with her premise. The big-monogram organizations will always play a vital role, but their trajectories may have risen steepest back in the days when some of our greatest political leaders were conservationists like Theodore Roosevelt and FDR, leaders who happened, also, to be well-known by their initials.

To a great degree since the latter part of the 20th century, and certainly in New England and the Northeast, it is the small, community-based land trusts who have succeeded in accomplishing some of the most dramatic and impactful achievements in land protection. Time and again, we have seen great things happen in conservation through the simple dedication and agency of private citizen-volunteers whose work commenced with the conviction that “something needs to be done!” In northern Maine, a group of volunteers supported by a single young staff person initiated a conservation effort that, to date, has preserved almost 400,000 acres of key waterfront and forested wildlife habitat. A group in central New Hampshire secured a \$6,000,000 property with a downpayment of \$10,000... and completed the raising of the acquisition and endowment funds within a three-year period, using only private donations. Along the lower Connecticut River, thousands of acres have been protected in a few decades by a group of land trusts

run entirely by volunteers. These accomplishments, and scores of others that could be cited, not only protected key wildlife habitat but they also provided a lasting voice for the conservation beliefs of ordinary local citizens and their communities. This work has been done with an absolute minimum of bureaucracy. The amount of volunteer energy devoted to these groups makes them some of the most efficient and best-leveraged conservation organizations in the world.

As we mature, our work becomes as much about preserving our volunteer organizations as it does about preserving our lands. We have made promises in perpetuity for the benefit of our wildlife and our human communities, work that we want to continue on into the future. For those of us who do not have an unlimited number of miles to go before we sleep (or at least we indulge ourselves in a nap), it is important that we go about the businesses of securing our work for the long run. In addition to identifying resources to protect new lands, the perpetuation of your work is the goal of these exercises.

MISSION AND AWARENESS

In the beginning, God made heaven and earth; our conservation work begins when we feel, and then articulate, a founding mission for ourselves and our organizations. Everything you decide to do (and not do) will need to flow from a simple and coherent credo that you and your teammates craft as a statement of your guiding principles. There is no single blueprint for a mission statement, but yours should be crafted to be inclusive, to be incisive and easily communicated, and to be visited regularly. This “reason to believe” will tend to define your activities; it will attract the consideration of new supporters and volunteers, and it will largely determine who “signs on” with you and who chooses not to do so.

THE THREE DEVELOPMENT FUNCTIONS

Hundreds of pages can be written about the nuts and bolts of fund development, but the short form definition of the function starts with a few calculations about ways and means. How much money will you need in the coming year to support your operating budget? The answer to that question is the definition of your annual fund goal. How much money might you need to preserve new lands in the near term, either through covering acquisition costs such as surveys, title searches, and new trail work, or, possibly the purchase of easements or fee lands? Those are your capital needs. And finally, how large a restricted fund would you need to secure your annual costs in perpetuity through earned interest alone? That is your endowment fund goal.

I would encourage you to think of your financial lives in these terms, and, what is equally if not more important, to begin to orient your donors and supporters to them as well. The tendency is to focus on the “checking account balance” of the annual fund and, episodically, on the “big ticket purchase” of a capital campaign. But you will function best if you perceive these three development categories as interrelated and constant, and see that they tend to support, rather than negate each other, in your own minds as well as those of your supporters.

INTERNAL STRUCTURES AND RECORDING REQUIREMENTS

As non-profit, mission-based organizations, we function under different rules and roles from either government or businesses. On the chess board of enterprise, we tend to be bishops rather than queens, knights, kings, or rooks. It is vital, for both reasons of ideals and good order, that we comply thoroughly and in a timely fashion with all state and Federal requirements as regards our charters, our finances, and our fund development. These vary from place to place and time to time, but it is incumbent upon all of us to have the correct licenses registrations, and inspection stickers on our vehicles before we venture forth out on the road!

“MATCHMAKING” WITH VOLUNTEERS

Just as you determine your financial needs through a thorough and clear-eyed budgeting process, you will want to determine just what volunteer “jobs” you need to fill in order to function adequately. These can span an enormous variety of roles and tasks, from board membership to trail building, from wildlife identification to fundraising and everything in between. It is vital that you have written “volunteer job descriptions,” that you recruit and train people adequately, that you provide them with practical monitoring and support as well as ample gratitude, and that you are prepared to address problems effectively if and when they arise.

More than anything, even more than raising money, your ability to master the art of volunteer recruitment, training, and recognition, will determine your success as an organization.

CULTIVATION OF SUPPORT

We are conditioned, in our society, to be reticent about discussions regarding money in public. Asking about money, or flaunting it, “just isn’t done” in polite society. So, we bring a natural reticence to ask other people for money, either because we think it intrusive, or impolite, or just “too pushy.”

It’s important to recognize this, and to understand these sorts of reservations exist for good reasons. In fact, they are more than justified in cases where a person might take advantage of an acquaintance or a social connection to, for example, sell a car, or borrow money, or to seek private information for personal gain.

But, in this instance we are only asking that people consider doing what we ourselves are doing, that is, giving of time and treasure in support of a voluntary, desirable mission with demonstrated public community benefit. We are, in essence, wearing the sacred robes of our mission. We are making the effort to determine

what support is available in the community, and we are open to a cordial, polite acceptance of any and all responses. The legitimacy of our role here is not only defined by our mission, but also buttressed by our adherence to the “duty of loyalty” to one cause only at a time, and by our honoring confidentiality of our interactions.

It is important that we enter into the realm of personal fundraising without reservations or ambivalence...if we are not the right person to engage in this exercise, then another volunteer should be found who is comfortable doing this particular job. We should understand that we can never predict what the ultimate outcome of our request will be...either now or in the future. This is truly an example of where “doing the best you can do” is all you need to aim for. If you represent the organization well, both you and your mission will gain respect, no matter what the immediate result of your personal endorsement of your mission may be.

PERPETUATION OF CULTURE AND RENEWAL OF LEADERSHIP

Yes, we are seeking to secure adequate funding to meet our conservation goals... but in effective fundraising we can be doing much more than that. We are “getting the word out” about our mission on a personal level. We are bearing witness to the style and substance of the dedicated fellowship that we are a part of. And we are, quietly and carefully, developing a community of relationship with the people who can take a leadership role in the future of the organization.

This is perhaps one of the least-understood aspects of fund development. In your personal conversations with people, you can learn so much about their interests, their capacities, and their ability to act as “team players.” All too often, new board members are nominated just before an annual meeting with very little real insight as to the person’s substance, style, and interests. If you are relying simply on evidence of financial wherewithal to define your board, you risk missing out on

building a cadre of dedicated, coordinated, effective teammates who act well together in the service of your mission.

Cultivating Annual Support

THE CASE FOR SUPPORT

Partly from custom, and partly due to the end-of-the-year deadline for tax-deductible contributions, the fourth quarter is when many non-profits motivate and secure the bulk of their donated funds for operations (your “checking account” for the coming year). Two components you should have at the ready are your *operating budget* for next year (how much will you need to “keep the trains running” in 2019); and your *case statement* for annual operations. At the most basic level, these can be numerical and narrative expressions of the same thing...but the case statement should include a sense of your mission, your history of accomplishments, your present activities (including stewardship), and your future aspirations. I’d also include a calculation of your donated volunteer time....something like “Our work is made possible by the financial generosity of private individuals like you and the work of more than 2 dozen local volunteers who devote a total of more than 1,200 hours a year to our mission of conservation and stewardship.” (That example, by the way, is 24 volunteers x 1 hour a week x 50 weeks).

You will want to have an inspired and capable writer put your *Appeal Letter* together from your case statement...ideally in a one-page letter on letterhead to be signed by the chair of your board. We will be focusing on this in the workshop, and a draft (if not an almost-finished product) would be useful to bring to the session. It should include an actual request along the lines of “we hope that you will consider making a generous gift to our Annual Fund;” a willingness (and directions) to supply further information and respond to questions, and, lastly, thanks and best wishes from all in the organization.

LIST ACQUISITION AND MANAGEMENT

Having defined the “what” in this equation, you will now seek to determine the “who.” For these purposes, the world can be divided into four lists: active large donors, active smaller donors, large potential “prospects,” and smaller prospects. How you define “large” and “small” is up to you..certainly anyone who gives or could give \$100 annually deserves personal attention, if you have the person-power to manage the effort. Once upon a time, these were managed on index cards; now we make databases out of them. In whatever form you have these lists, you will want them ready to activate in the production of letters and the addressing of envelopes. If you have the capacity, I would urge you to prepare to personalize these letters as much as possible, use attractive first-class postage stamps, and hand-address with hand-written notes by volunteers, at least for the top donors and prospects.

Needless to say, these lists are the rightful property of the land trust and the mission...please do not put them at risk of unauthorized use. Check them regularly as you would cultivate a garden...pruning out folks who have moved or who are deceased, and correcting the spelling of names where needed.

VOLUNTEER HORSEPOWER AND SCHEDULING

There are a myriad of activities you can engage in as you work on your Annual Fund...but you should start with a clear-eyed assessment of your volunteer capacity. If the person reading this memo will be the only person devoting time and energy to the exercise..you will want to construct an effort that *you* can be reasonably and realistically accomplished. Reckon your capacity carefully...don't take on more than you can handle sanely...and, thus, plan ahead to be ready with your mailing by mid-November. Whatever your assesment of volunteer time and energy, you should take into consideration actual availability....let's say a half-day per weekend minus whatever other commitments loom on the calendar (“Oh, I forgot about that wedding in Indianapolis on Columbus Day...”)

Ideally, you will be able to mass-produce your letters, and then schedule a time to get notes written on them and get them in the mail...preferably just before or just after Thanksgiving. You can divvy these up and have people do them on their own time...or you can make a social event out of the process. The latter has the advantage of camaraderie, group process, and the certainty of knowing that “they all went out.” Comfortable chairs, a fireplace, convivial hydration, and a good sound track in the background (I’ve had good luck with Willie Nelson’s “Stardust” album or old “Bob and Ray” tapes) can all lend themselves to an enjoyable and productive session.

PEOPLE GIVE TO PEOPLE I

Ideally, you will make a personal visit to your largest donors to make your case and your request..we will address this task and skill further. But, minimally, you should be prepared to write personal notes on as many, if not all, of these letters as possible...and to add your name, in writing, on the upper left-hand corner of the envelope mailer. The impersonality (and proliferation) of “Dear Resident” communications and mass-mailings results in a vortex of dismissal that you do not want to be the fate of your cause. At minimum, if you can, you should endeavor to produce a *personal* (not a “personalized”) note on each request, and certainly on the major ones. Your goal here is to *inspire*, and not to manipulate or to browbeat. Your note is to ask them to consider doing what you are doing yourself.

PEOPLE GIVE TO PEOPLE II

Your most generous donors deserve a personal call from a volunteer or a volunteer team...who are prepared to provide an update on the land trust mission and activities, capable of presenting a cogent picture of the year ahead, and comfortable asking for support. We will talk about this in more detail at our next session.

The not-so-hidden agenda here is for you to consider the prospects for a development committee that specializes in personally building financial and volunteer leadership support for your organization. You will be the ambassadors of the land trust to the community at large. You will be the people who, in the long run, give your finance and audit committees something to do. You will be the people who see to it that future leadership is able to take up the mission that you have all devoted your time, talent, and treasure to.

Capital Campaigns for Conservation Land Acquisition

MISSION

To begin with, any land trust or other mission-based organization should develop a succinct but inclusive statement about its purpose, its territory of interest, and its goals. In so doing, our audience is both the outside world and ourselves; we seek not only to communicate with and inspire others, but also to remind ourselves and our successors what it is that we are setting out to do. Once you begin to think of yourselves, your land trust (or your church, library, school, museum, or hospital) in terms of a mission, you will find yourselves much more able to function confidently than if you describe yourselves as a “non-profit” or “non-governmental” organization.

POLICY

Once you have defined a mission, then you are free to decide how you will set out to honor your stated goals for the benefit of the public. In the case of a land trust: whether you will own, manage and steward land; whether you will collect and enforce easements; whether you will allow the public to have thoughtful access to your properties; whether you will engage in educational activities, and whether you will act as an advocate for laws, regulations, or other political activities that may be congruent with your mission (or, simply restrict such activities to those public issues that directly impact the land that you have an interest in.)

SETTING PRIORITIES

With your mission and policies established (and, from time to time, revised), you may want to give serious thought to defining your conservation priorities. These can be expressed in two ways: first, a general statement about the type of properties that you seek to protect in perpetuity (shorefront, wildlife habitat, farmland, forest, historic sites, etc.) and, second, the specific properties in your area that you seek to protect, in general order of priority. The first list you should publicize freely, since it is important that the public understands what you are about. The second list you should endeavor to keep strictly confidential, only “going public” at such time that it suits your goals and plans (possibly only after you have secured a firm intent of a gift or a written purchase-and-sale agreement). You do not want to trigger commercial competition or family dynamics that could complicate your attempts to meet your conservation real estate goals.

WORKING WITH LANDOWNERS

Once you have established a list of properties whose protection is key to your mission, you should begin the confidential process of assigning prepared volunteers to assay the personalities and circumstances of the owners of the lands you seek to protect, and to begin careful, intentional, and sustained contact with them. You may decide to assign this task to a member of your group, or you may decide that you want to approach a trusted neighbor or acquaintance to be your go-between in this regard. Your goal is to gain personal trust, to establish your interest in the property, and to begin and maintain a dialogue that could move events in the direction of a gift, bargain sale, or sale at appraised value. It goes without saying that the ratio of communication to listening should be very low; you are there to learn and not to either teach, preach, or pressure. We never know personal attitudes until we are entrusted with information. And we never know when the course of events will move a person to begin to consider parting with the deed to their property, or a portion thereof. The relationship may extend for years before circumstances move the issue towards resolution. All we can hope to do is to put

ourselves in a position to understand, improve on, and act upon our conservation opportunities as they develop.

ASSAYING SUPPORT

In addition to other activities that you engage in, it is important that you develop a fairly keen understanding of what sort of projects the general public, and, in particular, your most capable donors, would find appealing, were you to undertake their acquisition as active endeavors. You should not only know who your top 50 donors are, you should have at least a general understanding of what they think is important. You should have this information before you need it, and keep it in mind as you move forward with your plans. It is possible to perceive your informal but sustained donor relations as being one, big, ongoing feasibility study.

DRAFTING A PROPOSED MANAGEMENT PLAN

You should have at least a general idea of what you would actually *do* with the property if you were to acquire it for conservation purposes. In the case of easements, key decisions (such as public access and forest management) are left in the hands of the landowner, but if you are to own and manage the property, you should know what your likely management plan would be. This is necessary for planning and budgeting (if you have to put in a gravel parking lot, build a kiosk, and set out a trail, those items should be in your budget) and also as an integral part of your fund-raising case statement.

BUILDING CONSENSUS, GAINING APPROVAL

You will need to establish the support of your whole organization (and not just that of a few enthusiastic members) as a project moves forward. This information should be held in the strictest confidence, but on an informal basis you need to test the waters of your fellow board members as to their enthusiasm for a project, and,

eventually, put the matter to a formal, informed vote of the relevant committees (land, stewardship, development, executive) and, ultimately, the full board before you can enter into an agreement with a landowner. In this and all other related matters you should have the guidance and counsel of a good attorney.

ESTABLISHING VALUE

As a tax-exempt organization, you should be governed in your decisions by the market value of a property as established by a qualified, disinterested third-party appraiser, preferably one whose work has weathered government process or audit in the past. This point can actually be a non-binding first step in your negotiations with a landowner: you will need permission to have an appraisal done on the property before you can begin substantive negotiations. The appraisal is the confidential property of whoever hires and pays the appraiser, but, in any case, this information should be kept in confidence.

SECURITY AND CONFIDENTIALITY

As clothed human beings in a post-Garden of Eden world, we do not want to run the risk of having our pockets picked. The news that your land trust “is negotiating with the Jones heirs,” or even “is hoping to protect the Johnson property,” should never be shared at a cocktail party or coffee shop if you do not already have a solid purchase and sale agreement in place. Once you have such an agreement, the local “grapevine” will be useful in getting the word out about fundraising, but if your plans become public knowledge prematurely you run the risk of having an “end run” sink your deal at the dock. Among the painful stories we can tell, perhaps the toughest is one of a land trust board member who mentioned an ongoing negotiation at a party, with the added cachet that “it looks like we can get the whole shebang for \$300 an acre.” A local realtor at the party overheard this, moved in the next day, and made an offer of \$500 an acre which was accepted. The land was never protected. You want to make sure that your deliberations and

negotiations are kept strictly confidential until the deal is sealed with a P&S agreement.

NEGOTIATING A DEAL

Now comes the most creative, the most critical, and perhaps the least-understood portion of the acquisition process. Your investment in establishing a trusted dialogue with a landowner will come to the fore in this step. As a fiduciary, your goal will be to acquire the property at the lowest fair cost that you can negotiate... up to and including appraised value and some associated costs (see below).

Just as in fundraising, some of your team may be better suited to this aspect of land trust life than others. Somewhere between reticence and pushiness lies a skill-and-personality set that can be effective in negotiating the exchange of assets...and can even take joy and pride in the work.

The best deals are those that are made in good faith that meet the legitimate need of the parties involved. For the land trust, a gift or partial gift is the optimum goal, but you should be prepared to negotiate with the landowner, using the appraisal as your basis. Using words like “range” (“what range were you thinking in”) and “fair” (“what would you consider to be fair terms”) may allow you to circle in on the heart of the matter. Rather than asking bluntly for an outright gift, it might be better to request that the landowner check in with his tax advisor and/or legal counsel to determine if some level or gift or bargain sale might actually be advantageous to both of you...particularly in the case of capital gains exposure on long-held and highly appreciated properties. All parties should make use of legal counsel as these matters move through negotiation.

Since you are not in a position to recoup your costs through commercial development, you should feel free to request liberal terms in the matters of downpayment, length of the purchase-and-sale-agreement, and extendability,

among other things. You should endeavor to place your deadlines well after years' end...and to position yourself to gain from donor tax deductions over the course of several years if necessary. Put yourself in the best position you can in these regards...a perusal of old deeds and agreements underscores the room we have for creativity and flexibility in such matters. But understand that a purchase-and-sale agreement, drawn by your attorney, is an act of faith and that your credibility as an institution will ride on your ability to perform as you promise.

DETERMINING THE TOTAL COSTS

You will need to take care to *factor in all* acquisition and stewardship costs in your campaign. These can include staff and consultant time, printing and mailing costs, appraisals, surveys, biological studies, attorney's fees (title search, deed preparation, and recording), title insurance, and trail construction or other access improvements, where applicable. In the case of an easement (and, arguably, also a fee acquisition) a stewardship fund is also necessary to raise at the time of acquisition, to cover costs of enforcement or other practical issues. The purchase price of a property is generally the largest line item in the *acquisition project*...but it is not the only one.

PLANNING AND EXECUTING THE CAMPAIGN

Ideally, the work you have put into developing your annual fund will pay dividends in the capital campaign. You will know who your established donors are, and you will be in a position to rate them carefully to develop the best level of a potential capital gift request.

You should begin with a "quiet phase," where you raise up to 50% of the needed funds before you go to a public announcement. For this, you need a robust list of potential (better yet, established) donors. In all likelihood you will need to go outside your existing lists and approach new prospects, concentrating on those

whose interests or proximity (including viewsheds) would tend to interest them in your cause and in your project.

You will need to develop a succinct, motivating case statement, and couple it with attractive maps and photographs. All this should go on-line...but it will need to be printed as well to hand out in the course of making personal calls. The personal “ask” is still, and will likely always be, the most effective tool in fund development. People give to people, and the rules and best practices involved in gaining annual support will also be the basis for any effective capital campaign. Any and all pledges should be made in writing!

We live in a period of unprecedented and often disturbing change, and our ability as institutions to preserve generally held values is an important argument for the support of our work. The protection of wildlife habitat, scenery, historic landscapes, and public access to recreational lands are all highly valued aspects of land trust work that are increasingly threatened by modern circumstances. The ability of families and, in particular, young children, to learn about the natural world and to seek a reasonable and sustainable relationship with it is of paramount importance. Our work is vital to the securing of these community values, which can be seen as just as threatened as the rarest of our wildlife species.

Sustained media coverage is key; efficient, cost-effective special events, neighborhood living-room gatherings, and even benefit performances are all tools in the capital campaign chest. Each campaign will develop its own life and its own lessons, and all involved should be prepared to carry on until the last check is cashed, the last thank-you is written, the deed is recorded, and the corks are popped at the victory celebration!

CHALLENGE GRANTS

If you have the established support of a large donor, you may want to ask if the pledge can be made in the form of a general challenge grant, such as “An anonymous donor has pledged to match all donations on a 1-to-10 ratio,” or one based upon location, such as “all donations from Wolfeboro Point will be matched at a dollar-for-dollar basis,” or some variation on the model. Challenge grants work...particularly at the beginning of the campaign and again at the home stretch!

MEANWHILE...THE ANNUAL FUND

A medieval theologian is said to have posed the question: “What profiteth a man if he gains the world and loses his soul?” We might ask where the profit is in a land trust that raises enough money to buy a piece of property but gets evicted from its office because it can’t pay the rent or the light bill. The point to keep in mind is that you cannot allow your capital campaign to bankrupt your operational budget. Ideally, the campaign should actually increase your annual support. You should make dual solicitations, asking a prospect to consider a gift or pledge of, say \$5,500....\$5,000 for the campaign and \$500 for the annual fund. You may want to make a multi-year request if the size and scope of the campaign require it.

Again, any and all pledges should be made in writing, restricted to the campaign at hand.

A major donor can help support the campaign by issuing a membership challenge, along the lines of “I’ll pledge \$50,000 to save Red Hill if the Lakes Region Trust can attract 200 new members at the \$30 level by June 30, 2019.” Broadening your base is as important a goal as acquiring new lands, and your most seasoned donors know that.

Cultivating and Maintaining a Land Trust Endowment

The creation of an adequate endowment is both the most essential step in the development of a stable non-profit and the task that most non-profits never seem to get to. The practical difference between Harvard University and the average struggling non profit is that Harvard actually started with an endowment that has been accruing interest since 1639, and most other non-profits are either unendowed or have a minor amount of funds managed in interest-only funds.

In our world, an endowment can be defined as a restricted fund that is supported by gifts and bequests, and which can be accessed by vote of the trustees on an interest-only basis to support the activities of the organization. While some undesignated, invested funds are referred to as “endowments,” generally speaking the term is best used in regard to funds whose principle cannot be invaded. Best practice is to try to accumulate an unrestricted endowment that is large enough to actually contribute, through interest, a significant amount of funds to support the costs of your annual operations. The optimum amount will vary on the amount of expenses and obligations your organization has...compared with the amount that you can comfortably raise in your annual fund.

As examples: if your annual budget for operations, stewardship, legal expenses, bank fees, audit, and other activities is \$100,000, then, calculating an average return of 5%, a \$500,000 endowment could earn \$25,000, or a quarter of your annual budget. A \$2,000,000 endowment would fund your entire operation at that budget level and interest return, and thus reduce the need to raise operating funds on an annual basis.

This developmental step of endowment creation is crucial to all mission based, non-profit organizations, but it is particularly vital in the case of land trusts, because we have promised to protect land *in perpetuity*.

You should be in a position, as an organization, to not only be *dedicated* to your cause, but also to feel *secure* in your convictions. The difference for you, emotionally, psychologically, and practically, is enormous. You may find that your standing in the community, your effectiveness as an advocate, and your self-confidence as a group of volunteers will increase in proportion to the amount of funds you have as your foundation for “the long haul.” Crisis fund development has its place, but in the long run both you and your market in the community will become jaded and fatigued by it, and people will start crossing the street when they see you coming. In the long run, “the wolf at the door” should not be the wildlife poster-child of your land trust.

When you look beyond your immediate, pressing needs, you can begin to see how compelling the case can be for the support of your endowment. We all organize our activities on a daily, weekly, monthly, and yearly basis, but in this case you are stewarding obligations that will last in perpetuity, in the context of a natural order here in your Valley that has existed since the glaciers departed 10,000 or more years ago. The cause that you represent is neither trivial nor fleeting.

Not everyone is financially comfortable enough to make a major endowment gift, but since all of us will pass on at some point, the idea of leaving something permanent behind us is extremely powerful, particularly when we know that our gift will be allowed to grow. It might be remembered that John Harvard’s endowment gift consisted of his library of books and a cash endowment of 779 pounds sterling. Everything that Harvard has become has been built upon that early “foundation” gift, and colleges, it should be remembered, only make promises 4 years at a time, while a land trust makes them forever.

RESTRICTED ENDOWMENT FUNDS

Your endowment should be separated into an unrestricted fund, where gifts directed to the general support of the organization should go, and a restricted section, with funds segregated into categories that follow the specified intent of the original donation.

Chief among your restricted funds is your stewardship “war chest,” which consists of funds that are set aside for the possible legal defense of easements that you hold. The Land Trust Alliance has calculations to guide you in this regard, based upon how many challenges you are likely to encounter in the course of future years. You should, by best practice, raise these funds at the time you acquire each easement, either by adding it to the purchase costs or, in the case of a gift, raising it from abutters or other interested supporters. Since these are restricted funds, they can be used for no other purpose than for legal defense. In our cases, we might begin calculating our endowment need by reckoning the annual costs of monitoring the easement, periodic biological studies if those are desirable, plus the cost of a legal defense of the easement in case it is ever violated in the future. All easements should be endowed at the time of acquisition.

Financially, an easement is much less expensive to obtain for a land trust than purchasing the title to a piece in fee simple, but, theoretically, it can prove to be more expensive over time. If you own a property outright, you can dictate (and even promote) public access, which can gain you membership income. In the case of farmland, the property can be leased for annual income; in the case of healthy forestland that is not being kept in “forever wild” status, careful timber harvesting can provide steady income through selective harvesting and timber sales. Of course, insurance, and, if applicable, property taxes, should be reckoned into these calculations.

In either case (easement or fee ownership) you should add the cost of endowment into your calculations at the time that you protect the property. Some land trusts

won't accept the gift of an easement without asking the landowner to come up with a cash gift to cover this endowment. In the case of a wealthy family or individual, this may seem like a logical request, and one that can be added to the tax deductibility of the value of the easement gift. In other cases, however, it can seem ungrateful at the least, and, at the worst, greedy. One person described this dynamic to me as “feeling like I'd invited them to be my dinner guests and then they tried to leave the house with my silverware.”

The gift of an easement, and the accompanying need to raise endowment funds, can actually be a focused opportunity for you to gain new or renew old support. Let's say that a person wants to give you a conservation easement that is worth \$100,000. Let's say that you want a \$5,000 easement fund to accompany the property. You are perfectly positioned to approach a widening circle of people to donate these funds, beginning with abutters, neighborhood landowners, people whose property is in the view shed of the possible easement, and other community members. Rather than being a burden, you can look upon this task as an “ice-breaking” opportunity to broaden your base of support. In most cases, the aesthetic benefits and possible property-value enhancement for neighbors will help make your case for you.

Other restricted funds can be created to support, through interest, other defined portions of your activities, such as education, bioinventories, or the costs of student summer interns. Your dialogue with your donor base should keep them aware of what the most useful endowment arrangements are that you can manage; in most cases these would be unrestricted gifts or bequests to the endowment fund.

RAISING AN ENDOWMENT

All this is well and good, you might say, but how do we actually go about the business of raising an endowment when resources are scarce and we have so many other calls on our attention and our energy? The answer is that *you might consider*

every contact you have with a donor or a community member to be a step in making the case for a gift to your endowment.

You might begin to envision your potential for support as a vast pyramid, with the broad base being the entire year-round and seasonal population of your town or region. First step up from the base are your annual fund or membership donors, whose support is motivated by a perception or conviction that your land trust is doing things that are, in general, important to them and to the community that they are a part of.

Usually, the way you get people to climb higher up on the pyramid is by getting them more involved, either through a personal relationship with a leader or volunteer in the organization, because of a deeper involvement in a volunteer role, (such as trail construction or hosting an informational gathering in their home), or because of a capital campaign, when the annual request of support is ramped up to a higher level to achieve a particular goal. The degree and skill with which you thank these people, and how good they feel about their increasing level of involvement and generosity, is vital to your future potential as an endowment-holding organization.

In this scenario, the highest level on the pyramid along the banks of your non-profit Nile is your endowment fund donors. This level is composed of people who have actually made gifts or bequests in the support of your organization, or people who have made arrangements in their wills to do so in the future. These are your true believers, at whatever level they have given. In your annual report, you should honor them (either by name or as “anonymous”) in a list that, every year, includes the entire roster of endowment supporters, both living and deceased. This is a permanent fund, and so your acknowledgment of it should be permanent as well. The more you make mention of this fund, the more people will begin to consider giving to it themselves.

How does a small organization begin the process of building an endowment? A good start might be by voting to legally create such a fund at a local bank or investment brokerage, and open it with immediate gifts made by each trustee. Even \$20 apiece will get you started, and you should be in a position to announce this fund and quietly list all your trustees as charter donors in your newsletter or your annual report. Include a small notification about the endowment, and ask your constituents to both consider a gift or gift arrangement, and, in the case of the latter (usually as part of a bequest or other estate plan) to notify you of their action. Those who agree to do so should have their names added to the list, or, should be listed at or near the top of the “A’s” under “Anonymous.” You may want to give some thought to naming this fund (“The Cornerstone Fund,” for example) or the group of donors who have given to it (“The Cornerstone Society.”).

BEQUESTS

Traditionally, and, in most instances, people make endowment gifts as part of their estate planning, either as an outright bequest amount, as a percentage of their estate or its remainder, or as the proceeds of the sale of a specific asset. In the latter cases, the actual amount that your land trust will receive won’t be determined until the estate is settled. The donor may or may not want to give you the details of the arrangement, which is fine...the most important thing is that you thank them and acknowledge them publicly, if that is in accordance with their wishes. You want the qualified public (that is, people who share your convictions and have any degree of wealth or owned assets) to know of your fund and its place at the heart of your future.

Towards that end, a brief and tastefully written piece about the fund and its use might be designed and published that speaks to the enduring character of your mission and activities. A personal endorsement by an endowment donor is persuasive in such a piece. A quote from a distinguished naturalist or local conservation leader could be useful. Reproduction of a piece of art (the older and more attractive the better) would help set the tone for the consideration of “the

long view.” You will want to close the piece with a ”next steps” notification that might include your contact information, a sample of specific bequest language, reference to your financial institution, and your 501c number. You will, in all cases, want to include notice that a prospective donor should consult with their own attorney or tax advisor while in the process of considering or making such a gift. And, as in any communication, include thanks for the consideration of the reader.

Your development committee should devote some time (perhaps before spring every year) to consider who in your donor base might be personally approached about such a gift. The best qualified person to do this is a person who has already made such an arrangement, of any size, themselves.

You might make your published piece the subject of a meeting with an established and respected attorney or financial planner in town. A good attorney is often asked for advice, and it will be useful if such people are familiar with your work.

PLANNED GIVING

Over the course of the last several decades, a number of giving vehicles have been written into tax laws that provide added flexibility and dimensions of financial benefit to donors of substantial assets. These may include annuities, lead trusts, remainder trusts, and other arrangements that may be of great interest to donors of considerable means and that can result in substantial benefits to your land trust endowment. While it is useful to be aware of the dimensions of these arrangements, you may want to take care that specific applications are best blueprinted and completed by a professional who is engaged by the donor involved, and who is thus aware of the entire tax implications of the proposed arrangement. You may benefit greatly from the involvement of a volunteer who is conversant with the latest changes in tax laws, but you would be well-served to take additional steps to insure that the donor’s actions are the results of advice provided by a professional who is in their employ. If the size and complexity of such a gift

warrants it, your organization may consider retaining its own professional advice during the construction of such an arrangement.

CONCLUSION

As we will discuss in the next chapter, your endowment “prospecting” should be the natural result of all the work you do during the course of the year. But if you aren’t aware of the constant presence of the future prosperity of your organization in the work you do, it is likely that your donors won’t be aware of it, either, or at least not as aware of it as you’d hope that they would be. Sooner or later, all of us and all of our donors will pass away, and most of us will leave some of their assets to people and causes that they have cared deeply about. You would serve your mission well if your activities have resulted in the thoughtful consideration of your organization in the “rolls that are called up yonder.”

Development Through the Land Trust Year

INTRODUCTION

Every January, individuals and institutions have the chance to take a deep breath after the holidays, to assess where they are in life, and to resolve to make specific positive changes over the course of the coming year. While it is important to “take a break” after the frenetic pace of the fourth quarter, it is also vital that we use this opportunity to do the sort of reflection and planning that can lead to growth in our ability to best function in support of our mission. As conservationists (and, really, as volunteers in the service of any non-profit mission) we are engaged in a long relay race through the ages. Each year we have the opportunity to run a good “leg” that connects the accomplishments of the past with our aspirations for the future.

ASSESSMENT AND SHORT TERM ACTION

In the short run, we can take a look now at the results of our Annual Appeal, both in terms of overall financial capacity and in terms of specific donors. The former, of course, has practical implications: do we have enough money on hand to meet your obligations for the coming year, or are you headed for a deficit if you don’t come up with new resources? If it looks like you’ll have a shortfall, you will have decisions to make about some combination of throttling back on your budget and/or coming up with new revenue sources.

In any case, the year, like all things, should start with gratitude, and all donors to the Annual Fund should have received a prompt, personal thank you letter that references the date, the amount, and the purpose of their gift (Example: “On behalf of the volunteers and members of the Big River Conservation Trust, I am writing to thank you for your generous gift of \$100 in support of the Annual Fund, which we received postmarked December 29, 2018....”) It’s a bit tedious, but you may want to keep a Xerox copy of your signed letter, together with a copy of the

check and the postmarked envelope that it came in, in case a donor misplaces the original and calls you up frantically while they're doing their taxes in April!

At the same time, you should be analyzing the individual specifics of the campaign along three parameters: continuity, increase, and shortfall. In the first instance, you should be aware of who has been the steadiest in their support over the years, and, more to the point, these people should know that you are paying attention! A hand-written note that says: "We are gratified at the thought that you have been supporting the Trust now since 1989..." is at least polite, and may be a signpost for a donor who is deciding what causes are the most important to include in their bequest plans.

A second category is that of increased donations. If your \$100 donor just sent you a check for \$500, a quick note or phone call to "thank you for your extra measure of generosity this year!" is, literally, the least that you can do. A personal call for a visit and a cup coffee at some point would be another good idea.

And the third category is that of regular donors who you have not heard from. You do not want to lose either their income or their loyalty here, so these folks should get a personal letter early in February that reminds them of your plans for the coming year, acknowledges their past generosity, and asks specifically for a repeat of the amount of their last gift. In the case of a major donor or a long-term supporter, a personal call or get-together for a cup of coffee may be in order.

You should be prepared to respond gracefully and humanely to supporters who, in one way or another, communicate to you that they are financially unable to send a check due to temporary crisis or permanent change in circumstance. In such cases, I would strongly recommend that you make such persons complimentary members and keep them "on board" for good, both yours and theirs.

VOLUNTEER CAPACITY AND MANAGEMENT

Having taken care of the past year and positioned yourselves to move forward, your next step should be to assess what you have for volunteer resources in the development realm for the coming year. If you are a “one-person” shop, or one of only a few members who are willing and able to engage in development work, then acknowledge that reality, right from the outset. Rather than set ambitious plans that leave you burned out (which the organization cannot afford), you should concentrate on doing the essential things in a reasonable manner...while attempting to recruit a bigger team for 2020.

The second point in this regard is to keep in mind that volunteers tend to do best what they like to do. The person who excels at trail maintenance may be a dismal financial analyst, the person who likes to throw parties might be a horrible public speaker...and so forth. Matching the personality and preferences of the volunteer well to the task is the first step to creating a strong and a crisis-free organization. Every volunteer should make a commitment based upon a written “job description,” every volunteer should be thanked as a major contributor to the organization, and every board of directors should act swiftly and humanely to address mismatches if it has become clear that they are producing counterproductive results.

PRIORITIES

Having determined what the capacity is of your human resources, you can proceed to make reasonable plans for the year ahead. Slow and steady wins the race here, a focused and sustained effort over ten or twelve months will be much more manageable (and much more productive) than a crisis-oriented “blitz” next November, after the cold winds of financial hardship begin to blow across the life of your mission. If your membership support can be seen as a kind of garden, now is the time to determine the scale and focus of your activities as you prepare to order seeds, fertilize, plant, and cultivate in proportion to your intended harvest.

COMMUNICATION AND RELATIONSHIPS

In the Old West of the Silver Screen, the 6-gun was said to be the great equalizer; in the modern world of small non-profits it is a combination of communication and relationships that allow you to “compete with the big guns.” As in so many other instances, it is important that you develop a sense of personal style that reflects both your organization and the citizen-communities that it serves. You have at your disposal a combination of personal contact, letter-writing, printed publications, the internet, and media coverage with which to buttress your case and your cause. Which of these methods you use, and in what proportion you deploy them, is a formula that you will want to try out and establish on behalf of your organization. There is no “right way” until you define through experience it for yourself, but there is also no shortage of “wrong ways,” and these are in abundant evidence, regrettably, in the modern world.

PERSONAL CULTIVATION

“People give to people.” If you have to pick one mantra to remember in fundraising, I’d suggest that this might be your best bet. You might begin, depending upon the capacity of your volunteer human resources, by choosing the ten biggest donors you should see in person in the course of the year, as well as ten people who have major capacity but who are not donors (or who are at well below the level that you believe that they are capable of). That is two calls per month between February and November for each development volunteer, not an overwhelming commitment, and one that can be flexed up or down as your circumstances permit or require.

The mechanics of a personal call can be described in great detail, but the bottom line is really quite simple. After expressing your gratitude, your questions to the former might be in regard to their continued support of the land trust, and to the latter to determine if they would consider playing a supportive role with the

organization. And, in each and in all cases, inquiring as to the reasons why they would (or wouldn't) consider doing so. You are here as much to listen and to learn as you are to promote, and that is a good thing to keep in mind.

You certainly should be ready to present a verbal outline about the organization to a donor or a prospect, but by far the most important thing you can communicate is why YOU are involved as a volunteer, and the reasons that you feel good about your donation of time and talent. If someone asks a detailed question (how many nesting pairs of loons are there in Squam Lake?) don't feel compelled to know (or to guess) the answer. You have the opportunity here to find the information out and to get back to the person with the correct information.

An analogy here can be made to romantic coupling: a conversation that leads to another conversation, a cup of coffee, a dance, a date, and perhaps a relationship. ...of some sort and dimension. The ball is in your court; the job is to start it rolling in a direction that may end up resulting in any number of potential desirable outcomes: a gift, a volunteer, a potential trustee, a bequest, or a reference to other opportunity.

PUBLICATIONS AND MEDIA

As in the case of the personal call, this is a subject about which volumes can be written, and have been in many cases. Suffice to say that you will benefit greatly by having a printed, hard copy identity piece, by having attractive and effective mailings, and by a regularly updated presence on the internet. Those things said, you should not allow these media "tails" to wag the "dog" of your mission, your time, or your budget. Following are a few points about each of these media.

Your printed brochure should be attractive, designed and compiled for a lengthy shelf life, and should combine succinct writing coupled with photographs of wildlife, photographs of scenery, photographs of children and volunteers outdoors,

maps, data, and “next steps” reference points. Standard 8 1/2 x 11 format is probably best. Take your time with this; if you are proud of it, you will be likely to circulate it freely and effectively.

Newsletters (with whatever frequency you choose to publish them, but in any case centered around a September Annual Report) are a great tool to keep your base informed and in touch. These need not be long and involved, and can be much in the realm of “news” (wildlife sightings, volunteer activities, “save the date” notices, etc.). They can also be the focus of an annual report of all gifts (should you decide to do so) as well as a valuable and repeatable notice of your capital and, especially, your endowment needs.

A Facebook page or website can be a very useful tool, but internet material has somewhat less of a shelf life than a haddock and thus needs to be consumed and refreshed frequently. Wildlife information, special events, promotional pieces on stewardship activities, and the like are all good fodder for a broad and revolving internet presence. A word of caution: it would probably behoove an organization not only to refresh content frequently, but also to daily monitor and curate comments and posted “links out” to avoid having the site hijacked for political, personal, competitive, or otherwise off-mission purposes. A website left unattended is the equivalent of an automobile left on a busy street with the keys in it.

EVENTS

Special events can be a useful tool in the life of a land trust, but they should be constructed so as to “do no harm” to the organization’s budget or time constraints. Overhead costs should be carried by special purpose donors; in no case should a land trust risk using operating funds to underwrite a special event that might or might not break even. Easiest to manage in this realm are living room wine-and-cheese events and guided hikes or talks. Concerts, exhibits, lectures, and tours are all part of a realm of possibilities that should be carefully evaluated and planned for, lest they take on a life that consumes vital and finite resources that are best deployed closer to life of the mission itself.

YEAR-END SEQUENCE

All of your activities should build to the crescendo of your year-end appeal, and thus return us to the focus of the first session of our work together here. If you can solicit and secure your largest donations based upon the personal calls that you make in August and September, you will not only lower your workload but also remove the suspense over whether or not a major door “comes through this year” with a customary gift. Should there be a blip or shortfall in an anticipated donation, the sooner you learn about it the more able you will be to adapt, adjust, and take steps to make up the difference. The more we do this work, the more we learn, and our accrued knowledge will pay dividends in the results that we glean over time in support of our mission of conservation perpetuity.

CONCLUSION

Small, volunteer-driven land trusts, by their nature, have to struggle with factors of scale and time that represent real challenge to both operations and productivity. At the same time, by being close to the ground, by knowing their territory and their constituencies well, and by operating on the basis of trust rather than through the cogs of bureaucracy, they are able to function at a level of dedication and efficiency that cannot be replicated at the “big box store” level of corporate charity. If the basic capacity of fundraising depends upon mastery of the principle that “people give to people,” then it follows that the personal conviction and relationships of volunteers can be as productive in the present as it was in the past, when the simple gift of a library of books and a modest cash endowment could form the foundation for a university that would, over time, grow to Ivy League stature. The work of conservation is worth no less than our best efforts and their most fortuitous results in perpetuity.

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