

## Van Lunen Project Summary – June 2013

Title: Annual Financial Development Plan  
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### What I Did

Lincoln Lutheran is a Christian school located in Lincoln, Nebraska with a 51 year history. We serve nearly 350 students in grades 6-12. Our ministry is supported formally by 7 member churches and 2 mission partner congregations. Because of the long standing tradition for support of Christian education in the Lutheran Church, our families benefit from strong church financial support which offsets their cost for education. However, there is still a need to annually generate development income that ranges between 10-20% of our operational budget to keep tuition at an affordable level for families.

The school has more than 15 years of history with development events including an annual golf tournament and gala dinner auction. For the past 5 years, we have worked hard at establishing an annual fund drive. Previous to 2007, the school endured 4 separate multi-year capital campaigns as a way to generate revenue and work towards paying down building debt.

My project for Van Lunen was focused on creating a comprehensive Annual Financial Development Plan with a special emphasis on personal visits with leadership donors. I began the project by reviewing our financial needs for the year and separated giving potential by different types of solicitation. These solicitations included personal, telephone, events, mail, matching gifts, gym advertising, and other. The target for

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revenue was established at \$290,000 with the two highest income areas centered on personal solicitation and events.

In order to develop a list for leadership visits, I spent time reviewing two specific donor lists. The first was a list of donors who had cumulatively given more than \$10,000 to the school. The second list of donors included those who have given a single gift of at least \$1000 to the school. By scrubbing these two lists, I could quickly identify donors who have a long-standing relationship with the school and also donors who have the ability to give a more substantial annual gift of \$1000 or more.

After the donor review was completed, 100 donors were identified as strong candidates for personal visits. The list was split in half between myself and our Development Director based on our relationships with donors. A target goal was created for donor visits to take place prior to December 31, with the intent of visiting remaining donors prior to June 30. A leadership visit report was also developed to track visits and make sure we were following up with donors as needed.

In preparation for these leadership visits, I worked with our Development Director to create a Leadership Proposal we could leave with each donor. This consisted of a 4 page full-color brochure including a history of the school, current ministry and financial needs as well as a specific dollar amount for the donor to prayerfully consider. Overall, the printed materials were well received and were a nice way to leave the donor with something tangible to review and prayerfully consider.

For the past 7 years, school leadership has identified a special project to fund in conjunction with our annual dinner auction (above and beyond our operational budget needs for the event). This year it was determined that we would "makeover" our weight

room and old locker area to double the space available for our students and staff to improve their overall wellness. It was determined a total of \$75,000 would need to be raised to fund this project. To be transparent with our leadership donors, we made sure to share with them information about this project while presenting them with our Leadership Proposals needs.

Several issues impacted a portion of our fund raising capacity for the year. Initially the comprehensive plan included a telephone solicitation goal (some form of a phone-a-thon). For a variety of reasons, this solicitation never came to fruition which meant we didn't have a way to pursue the funds assigned to that solicitation.

During the year, school leadership and foundation leadership also began a process of transitioning all fundraising responsibilities to the foundation over a 3 year period of time. Strategically, it was decided the Foundation would take over the annual golf tournament in the next fiscal year (beginning July 1, 2013) and move the event to the fall instead of the summer. This meant either having two tournaments only a couple of months apart (June and October), or the school foregoing the tournament this summer to allow the foundation to have a strong start with their event in the fall. The later choice was made and the school essentially gave up \$12-15,000 in potential income for this fiscal year. We were able to make up a portion of this loss by increasing our participation in Lincoln's Annual "Give To Lincoln Day" which is sponsored by the Lincoln Community Foundation. Our development office worked hard to communicate in a variety of very intentional ways leading up to the event which led to an increase in giving from last year of nearly \$5000.

One other major issue impacted our fundraising capacity this year. For several years, leadership has been tracking a projected dip in enrollment. This enrollment shift began

entering the 2012-13 school year and will continue for 2 more years. As a result of lower projected enrollment, leadership was required to announce a reduction of staff for the 2013-14 school year to reflect lower student enrollment. The reduction recommendations were announced late January and the leadership team had to deal with the fall-out from the reduction for the next couple of months. Unfortunately, this impacted both the "climate" to raise funds and the time available to make one-on-one visits. While nearly 50% of our visits did take place with leadership donors before December 31, only a handful of visits took place after January 1. One other item of note: our dinner auction takes place in mid-March. This impacts available time for the development office and opportunities to meet with donors in the couple of months directly surrounding the dinner.

This year we also attempted to change our strategy for our fall Annual Fund Drive mailing by targeting a smaller group of donors rather than sending it out to every donor in the database. Unfortunately, the data ended up with some significant corruption in the list which led to a large portion of it not being delivered. While we attempted to remedy the situation, the mailing ultimately did not accomplish what we intended.

Overall, we raised between 80 and 90% of the development income needed to support our operations this year. While this was somewhat disappointing, we were able to raise an additional \$100,000 for our Wellness Center special project and our scholarship endowment. This resulted in overall giving to the school remaining at the same level as the previous couple of years.

#### What I Learned?

The first lesson I learned as a result of this project is the value of structure and tracking. The exercise of laying out every element of our development activity this year as well as

strategies to reach specific goals was a fruitful planning process. For the leadership visits, I realized how much it helped to document dates and notes from visits and to regularly review the information in an effort to stay on track with the plan. This also helped me work more closely with our Development Director to ensure all visits were taking place as planned.

A second lesson learned this year is the need to always remain flexible. While I believe we had a good plan to raise support for the school this year, the plan needed to be adapted as we went throughout the year. We were required to deal with several situations that impacted both the realistic potential for giving and how receptive the environment was for interacting with donors.

Finally, the majority of donors love specific projects more so than general giving. This will impact our planning in the years to come. I would estimate that nearly \$30,000-40,000 donor dollars shifted away from our annual fund drive efforts to our special project because donors were more interested in the project and the impact it would have on the ministry. Moving forward, we need to be careful about reaching our operational resource targets before getting donors too excited about a specific project. This will need to be done through long-term planning and vision casting. It's all about the packaging.

What Difference did it make?

One obvious impact of creating the annual development plan is that we have a template in place to use for the immediate future. Our development team can assess what went well this year and what needs to be changed next year to maximize our work in raising financial support for the school. By having this type of structure in place, it will also help with year to year tracking of each component of our development strategy to make data

driven decisions. The project has also highlighted our need to begin looking at what it would take as an organization to begin planning for a multi-year comprehensive campaign.

The special emphasis on leadership visits this year also helped to strengthen and grow relationships with many key donors. I believe carving out intentional time to be in conversation with donors who have the ability to give strong support to the school can and does have an immediate and long-term impact on the overall success of the organization. Those visits are actually the best part of my day! I really enjoyed getting out and seeing more people.

The overall success of our Wellness Center Makeover project was directly impacted by the planning and structure we had in place through our annual development plan. Because we were already meeting with donors to gather operational support for the ministry, we had a willing audience to share a vision for the project and grow excitement for the impact of a new space for our students and staff. We met our goals and fully funded this great project which will have an immediate impact on ministry!