

# CASH RESERVE and CAPACITY CAMPAIGNS

---

- *Is your Financial Officer continuously juggling cash flow?*
  - *Is your agency's credit line always at its limit?*
  - *Is your client base growing faster than your donor support?*
  - *Have funders asked for stronger program outcomes but your quality assurance (Q/A) department is understaffed?*
  - *Is a new program needed, but you lack planning money?*
  - *Is your I/T capability not up to 21<sup>st</sup> century demands?*
- 

*If your answer is "YES" to any of the above, but you do not know where the money will come from, then consider undertaking a CASH RESERVE AND CAPACITY (CRC) CAMPAIGN.*

In the past, most organizations have funded capacity and infrastructure costs from their general fund. Because of this, infrastructure support has usually been under-funded, and, worse, the need for a stronger infrastructure is greater than ever!

The Better Business Bureau advises not to have operating reserve funds that total more than two to three years of operating expenses. The larger the nonprofit, the closer one should aim to having at least two years of reserve funding. To raise the substantial sums needed to meet this goal as well as provide additional funding to build capacity, a CRC Campaign, in the tradition of Capital Campaigns, is time limited (36 to 60 months) and seeks special gifts, challenge gifts, and major gifts from your most loyal funders and individual donors. These gifts are secured through personal meetings and presentations and funder special appeals.

To begin such a campaign, LAPA, in concert with your existing Development staff, would conduct a feasibility study, including an audit of your development and communications programs, and, using those findings, develop a comprehensive plan for a CRC Campaign that is unique to your agency. Often a CRC Campaign will include methods to develop new donor constituencies or business plans for for-profit ventures. Best of all, the cost of the campaign is included in the fundraising goal.

The presentations that LAPA designs for you will show your prospective donors how increasing your capacity and improving infrastructure can make your programs stronger, more reliable, and flexible to changing needs. We also go out of our way not to cut into your Annual Fund efforts.

At the end of a successful CRC Campaign your agency will have a new or expanded cash reserve fund, the funds to increase its Q/A, I/T and other support functions, and a stronger development operation.

To learn more contact Laurence A. Pagnoni, President, at 212.932.9008

**Laurence A. Pagnoni & Associates, Inc. (LAPA)**

*Guiding nonprofit leaders to fundraising excellence since 1995. It remains our privilege to help you make a positive difference in your community.*

[www.lp-associates.com](http://www.lp-associates.com)