Webinar: The Lifecycle of a Capital Project

Financial Readiness

Anthony Petchel, MBA, CFRE, CTP

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

Construction Preparedness

Shannon Benya McIntyre
Registered Architect, Owners Rep.

SYNCHRONIC SERVICES

Campaign Strategy

Jeri Alcock, Sr. Partner
MSW, CFRE

Rose City Philanthropy

Lending Fundamentals

Kathleen Swift
Senior Vice President

Heritage BANK

SECTION

Capital Campaign: Financial Preparedness

Nonprofit Financial Leadership Academy

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

About Your Trainers

Deborah Steinkopf, MSW, MPP
(she/her)
SteinkopfStrategies.com

- 20+ years as an executive leader
- Grants Strategy & Development Planning
- Strategic Planning
- Executive Coach

Anthony Petchel, MBA, CFRE, CTP
(he/him)
missiontrajectoryconsulting.com

- Banking & Finance
- Strategic & Development Planning
- Executive Recruiting
- Adjunct Professor

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

What Financial Preparedness Really Means

Protecting the mission before, during, and after the campaign

Protect the Mission

Financial systems are the foundation of your long-term impact.

Sustainability

Capital funds are temporary; operating needs are permanent.

Operating Reality

Daily operations don't pause for construction or fundraising.

Donor Credibility

Strong finances build trust with partners and lenders.

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

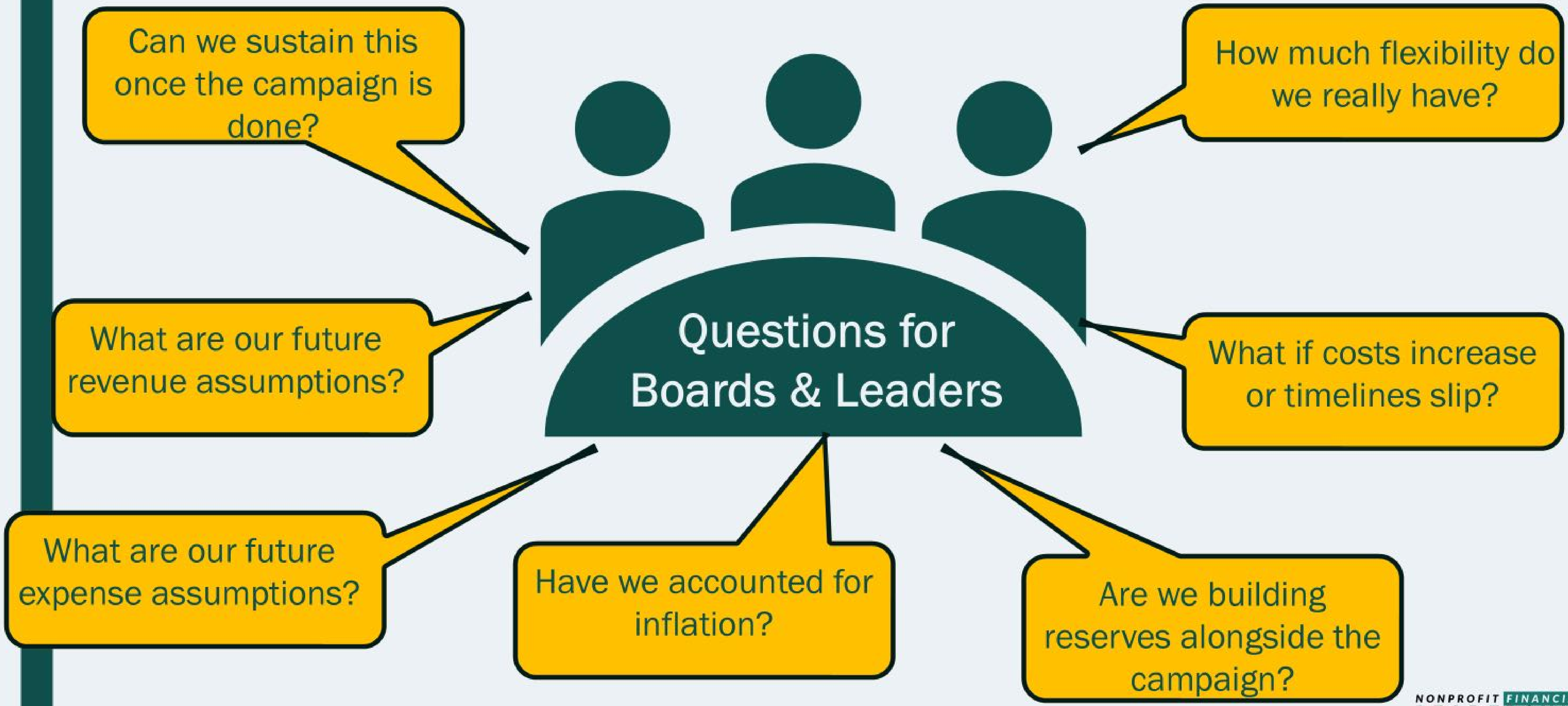
Core Financial Readiness Indicators

Before launching, can you answer these confidently?

- Reliable and timely financial reporting
- Stable multi-year operating and funding history
- Healthy reserves and cash-flow management
- Clear understanding of true operating costs
- Realistic debt service capacity and risk tolerance
- Policies, procedures, & operations

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

A capital campaign is a leadership decision first and a fundraising decision second.



Campaigns & The Operating Budget

Operating Fundraising

The Campaign Budget

New Operating Reality

- Campaigns have additional work (fundraising, design, etc.) that needs to be budgeted for separately
- New facilities almost always increase operating costs (Staffing, Utilities, Maintenance, etc.)
- Proforma budgets are essential to plan for post-campaign sustainability
- Mitigating the financial risk:
  - Going over / Not raising enough for the project budget
  - Operating costs after the project is complete

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

Upcoming NFLA Cohort

May 6 - June 17
9am – Noon (PST) on zoom

www.npfla.com/upcoming-cohorts

20% off Discount Code: WEBINAR2026

Info session available

NONPROFIT FINANCIAL LEADERSHIP ACADEMY

7 WEEK CLASS SCHEDULE

- WEEK 1: NONPROFIT FINANCIAL LEADERSHIP
- WEEK 2: NONPROFIT FINANCE 101
- WEEK 3: BUDGETING BASICS
- WEEK 4: BUDGETING ADVANCED
- WEEK 5: FUNDING STRATEGIES
- WEEK 6: RISK MANAGEMENT
- WEEK 7: TELLING YOUR FINANCIAL STORY

Building for the Future:
A Strategic Approach to Capital Readiness

EMPOWERING NONPROFITS TO BUILD WITH CONFIDENCE & CLARITY

SYNCHRONIC
SERVICES

OWNER'S REPRESENTATION & CONSTRUCTION MANAGEMENT

NONPROFIT AND COMMUNITY IMPACT PROJECTS

REGISTERED ARCHITECT

CONSTRUCTION PROJECT MANAGER

NONPROFIT LEADERSHIP

SYNCHRONIC SERVICES

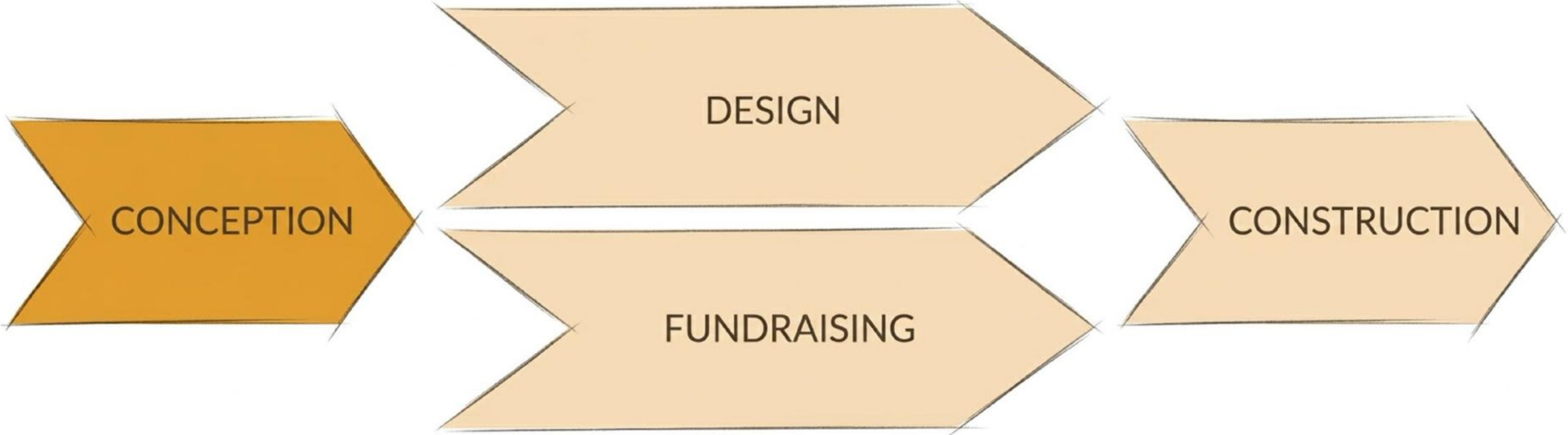
Strategic Governance. Professional Accountability.

VOLUNTEERS	PROFESSIONAL OVERSIGHT
VISION & MISSION ALIGNMENT	HIGH-STAKES LIABILITY
COMMUNITY CREDIBILITY	SUSTAINED CONTINUITY
STRATEGIC INSIGHT	INDEPENDENT ACCOUNTABILITY

EMPOWER YOUR MISSION TO PROTECT ORGANIZATION PASSION

SYNCHRONIC SERVICES

TIMING SHAPES OUTCOMES



EMPOWER YOUR VISION EARLY TO REDUCE RISK

SYNCHRONIC
SERVICES

The Right Questions, Early

Mission: Does this project solve a problem or just create space?

Sustainability: Can we afford to run what we are about to build?

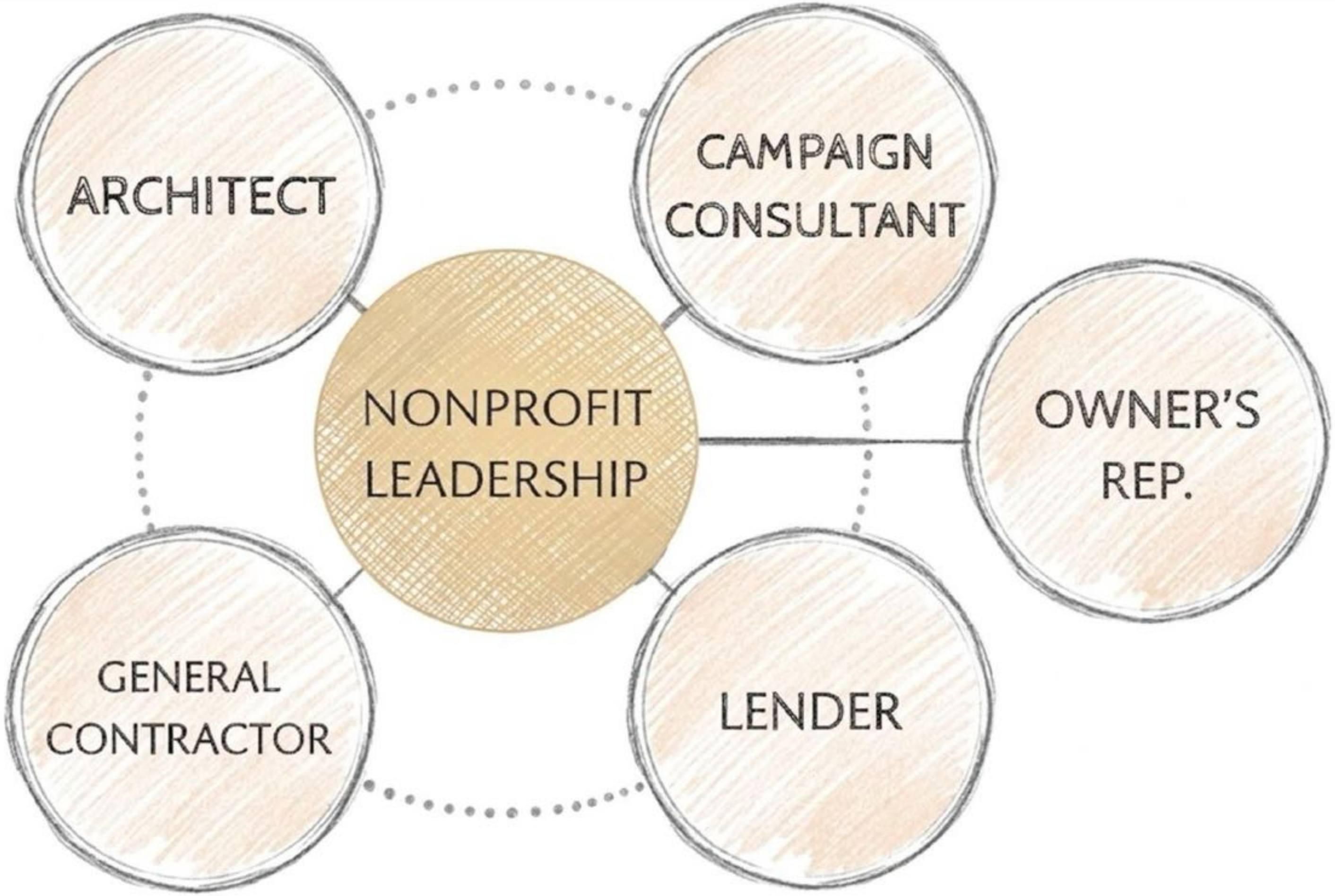
Transparency: Do we have a "hard cost" budget or an "all-in budget?

Due Diligence: Is the site zoned for our needs? Are there hazardous materials?

Strategic questions empower informed leadership

SYNCHRONIC
SERVICES

Expert Advocacy. Independent Oversight.

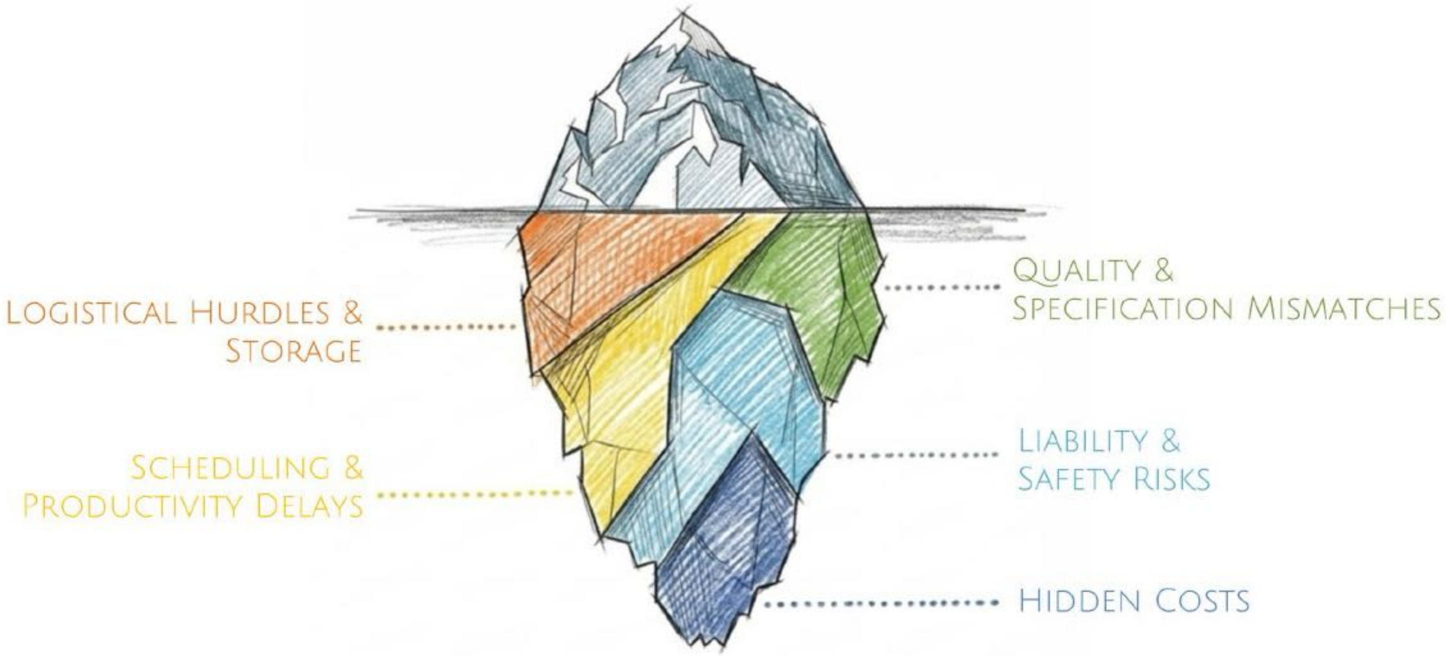


Empowering leadership through strategic advocacy.

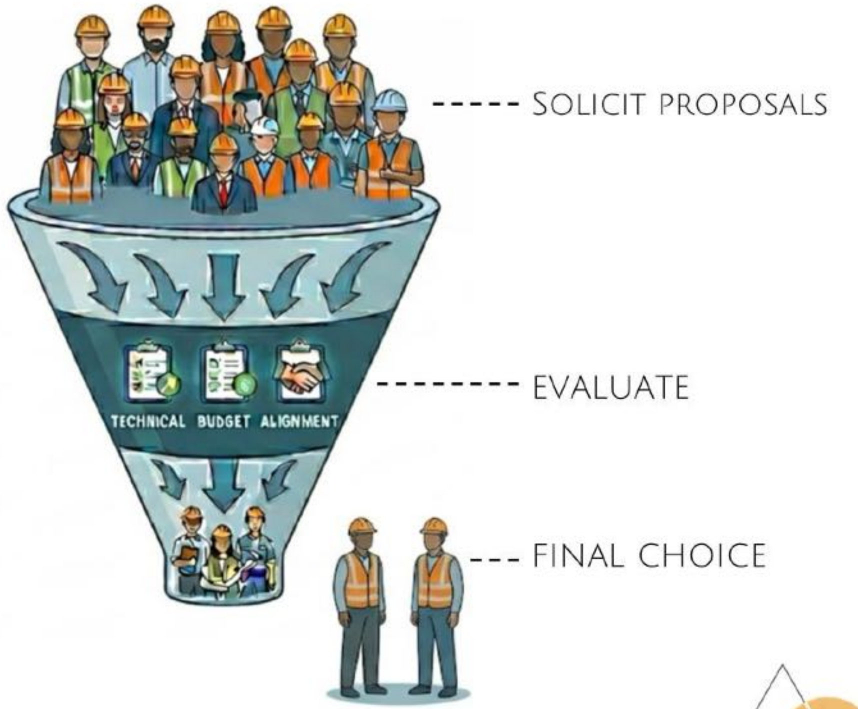
SYNCHRONIC SERVICES

Balancing Generosity – The Procurement Process

In-kind donations



RFP process



Empowering Leadership Through Strategic Procurement

Synchronic Services

Discussion: Empowering Your Next Chapter

SYNCHRONIC
SERVICES

SHANNON BENYA MCINTYRE, RA
Founder & Project Manager
SHANNON@SYNCHRONICSERVICES.COM

Ready for a Capital Campaign?

Campaign Planning and Preparation

Rose City Philanthropy

rosecityphilanthropy.com

Jeri Alcock, Senior Partner

Number of Campaigns— 30

Fundraising Experience —29 Years

Prospect Analytics—10 years

3 Traits of Successful Campaigns

Math

Momentum

Magic

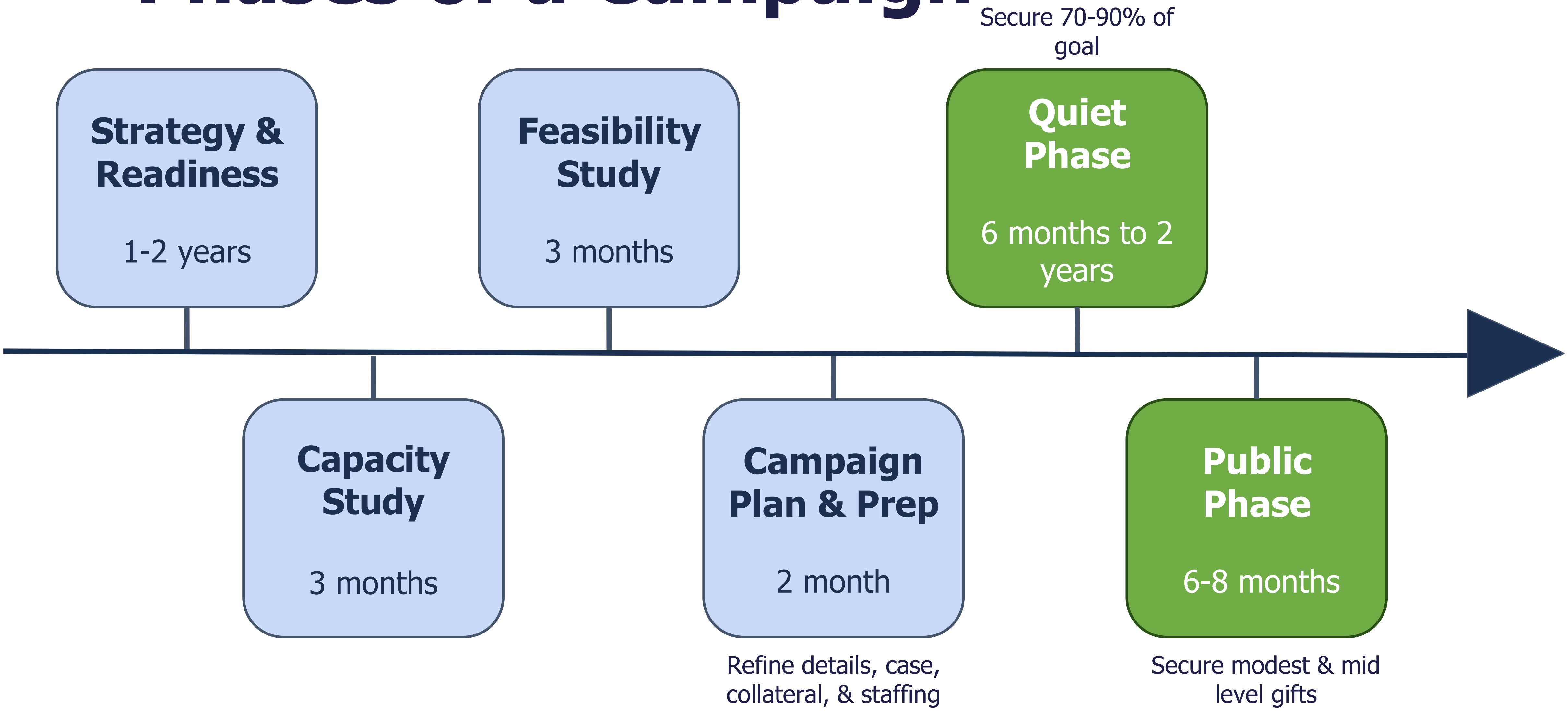
Key Questions to Ask

How will a campaign support the vision and strategic plan?

Is this project compelling to donors?

What goals do we want this campaign to achieve?

Phases of a Campaign



"Parents often bring children on overnight trips for treatment, disrupting learning. Local chemotherapy will go a long way in decreasing family stress."
—Central Curry School District

"As a mom of a child with special needs and a promoter of Spanish community, I see the need for a park... for our kids to enjoy the environment and grant peace of mind for moms."
—Rosario Echeverría

"We crave park spaces that aren't too 'built up' and have all the natural elements for nature play."
—Community Survey Respondent

Campaign Goals: Informed, not Arbitrary

Campaign Gap Analysis | Gift Table

Required prospects vs. identified prospects by gift level

Gift Level	Required	Identified	Status	Gap
$1,500,000	1	0	GAP	-1
$1,000,000	1	4	MET	✓
$500,000	2	15	MET	✓
$250,000	5	20	MET	✓
$100,000	10	63	MET	✓
$50,000	15	85	MET	✓
$25,000	30	143	MET	✓
$10,000	60	166	MET	✓

34 **Potential SEC Insiders/ Stock Wealth**

HH holding publicly-traded stock

199 **Potential Foundation/DAF**

Households that include foundation influencers and decision makers

Leadership Giving Potential

Prospects who gave major gifts elsewhere

$500,000 or more	$100,000-$499,999
19 households	83 households

1,033 **Planned Giving Potential**

Prospects identified as ideal candidates for planned giving

$500,000 or more	$100,000–$499,999
221 households	812 households

Untapped Potential

For every $1 contributed to your org, donors contributed $25 elsewhere

$1 : $25

Shared Causes

Largest gifts your donors made to other organizations

NRDC Action Fund

125 Years Western Golf Association 1899 2024

trustees

Scripps Research

Sonoma State University

The University of Kansas KU

Doylestown Health Foundation

Campaign Scenarios

Scenario 1: Phased Approach (Moderate Risk)

- Phase 1 ($1.5M / 2-3 years): Essential renovations
- Phase 2 ($1.5M / TBD): Program space, outdoor improvements, community features

Scenario 2: Infrastructure First (Lower Risk, Long Term Payoff)

- Fund renovations with endowment or reserves
- Strengthen annual and mid level giving, invest in staffing
- Launch planned giving program to rebuild endowment

Scenario 3: Traditional Campaign (Highest Risk)

- Pursue $3M in 3 years (requires immediate lead gift and high profile chair)
- Strengthen annual and mid level giving, invest in staffing
- Launch planned giving program to rebuild endowment

Rose City Philanthropy partners with nonprofit and government organizations to create enduring assets that transform lives, families, and communities. We combine decades of resource development expertise and forward-thinking fundraising practices as we work alongside our clients to create the change that they want to see in the world. Together, we'll build a community of believers, advance your mission, and find your greatest champions.

Questions?

Rose City Philanthropy

rosecityphilanthropy.com

Kathy Swift

Senior Vice President

Heritage Bank

kathy.swift@heritagebanknw.com

Bank Financing

- What is your organization's risk tolerance?
- Have you had or do you have debt on your balance sheet?
- What does a bank look for in a facility financing?
- What are your financing options?

Financing Options

Loan Types

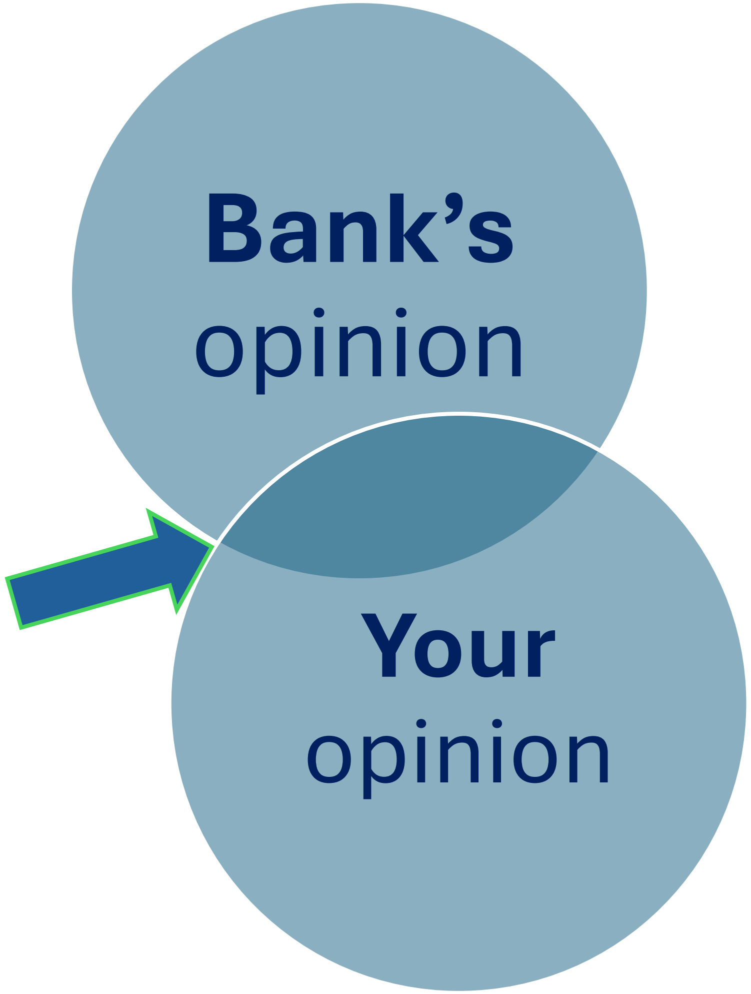
Type	Key Feature	Why you would select this?
Capital Campaign Loan	Three to Five Year Maturity Based on Committed Pledges Interest Monthly & Principal Repaid when donor makes payment	Accelerates when you can break ground on construction
Construction Loan	Bank monitored drawdown of principal based on construction payments, Interest accrued and paid from interest reserve during construction	Bank will most likely require this to manage its risk that you have sufficient funds to complete construction
Permanent Loan / Mortgage	Maturity of 10 years or more Amortization schedule of P&I Payments of 10 to 30 years depending on Property Type	If your capital campaign is less than the construction costs AND you have ongoing cash flow from operations

Financing Options

Loan Types Continued

Type	Key Feature	Why you would select this?
Line of Credit	Short term debt facility to cover operating shortfalls during construction or early years of operations	Only have debt outstanding when needed, For emergencies or as an "insurance policy"
Mezzanine Debt, CDFI's, Stakeholder Loans	Typically subordinated to Bank's "Senior" debt, more patient lending terms than bank debt	When Bank debt offered is less than the financing need, these debt types become the way to "fill the gap"
Tax Exempt Financing	Using State / Federal Tax Exempt Interest Rate - much lower interest rate, but much higher fees, longer process to get to loan closing	A lower interest rate reduces your Debt Service, which allows for a higher loan amount

Debt Capacity

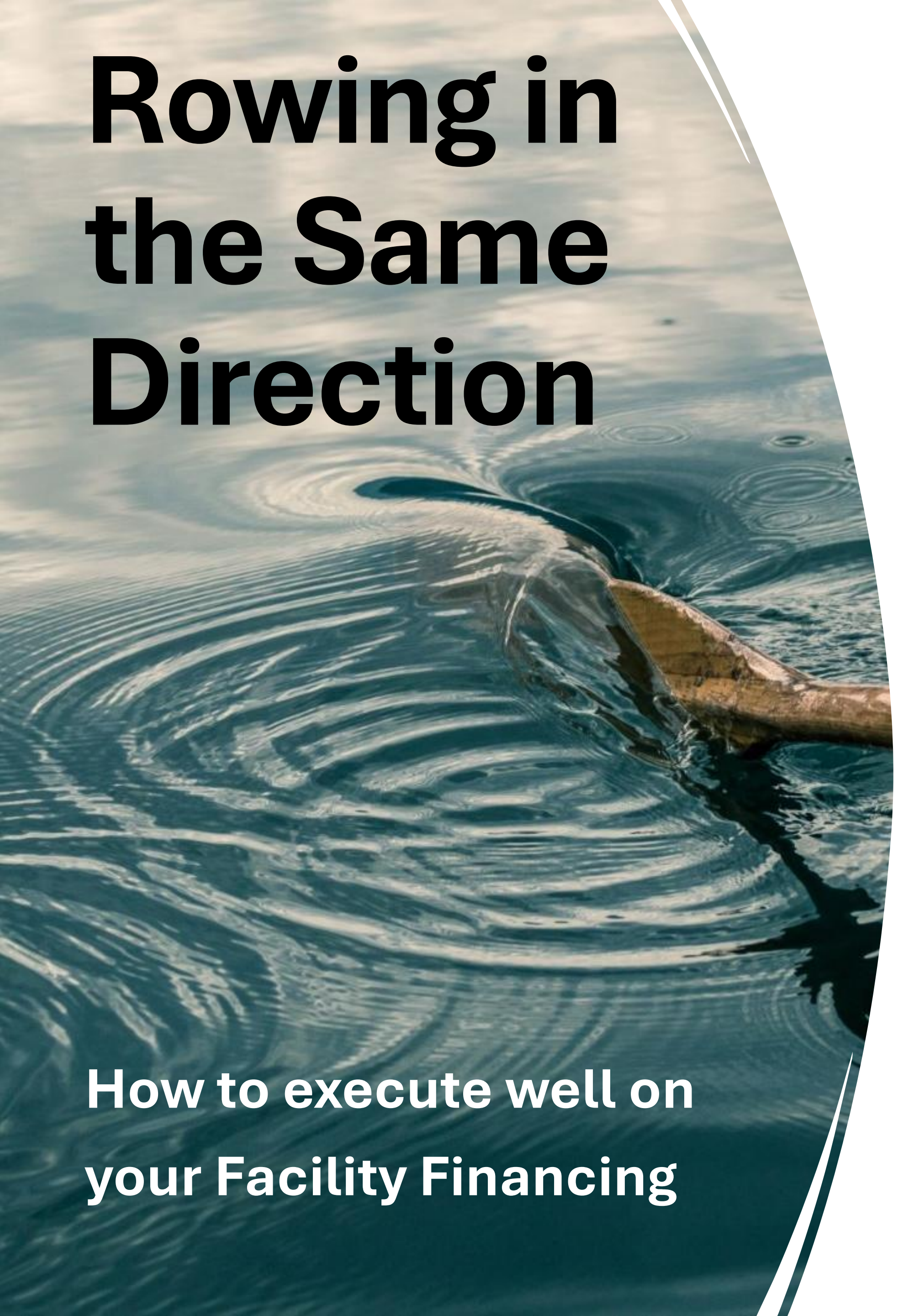


What is the range of debt that a lender feels comfortable providing you?

What is the range of debt that YOU as an organization feel comfortable taking on?

By the numbers

Ratio / Concept	Ideal Range	Definition
Historic Cash Flow	Positive, Covers needs and allows growth, predictable	Banker definition is Net Unrestricted Operating Earnings PLUS Depreciation and Interest Expense
Projected Cash Flow	Positive, allows for slower than planned growth as well as rapid growth to new capacity	Same as above
Debt Service Coverage Ratio DSCR	1.25:1.0 or greater Must be over 1.00:1.0 always	Net Unrestricted Operating Earnings before Depreciation divided by Debt Service (P&I)
Loan to Value	Depends on Property Type, Interest Rate environment, Business Revenue Model	Loan Amount divided by Appraised Property Value
Liquidity	Unrestricted Cash and Investments, Operating Reserves	Journal article
Leverage	Depends on Business Model	Debt Facilities (including unused Lines of Credit) / Total Assets



Rowing in the Same Direction

How to execute well on your Facility Financing

Educate
Have your board and key staff understand the types of debt you might use AND come to consensus on your risk appetite

Find the Right Partner for the Financing
Nonprofit commercial loans are not standardized and the Bank you select makes a huge difference

Timing
It always takes longer than you think it will, be ready to adjust constantly as the financing "puzzle pieces" come together

Communication
Keep the whole team informed! Listen to what your lending partner is saying…and NOT saying…*really listen!*

Don't do this one thing…
The danger of "if we start to build it, they will come…"

Questions?