



7 April 2011

John Nordgren,
Senior Program Officer
The Kresge Foundation
3215 West Big Beaver Road
Troy, MI 48084

RE: Report - The Kresge Challenge Grant

Dear John:

Carpe Diem West has met the terms of the Kresge Foundation's challenge grant (#241503) and requests payment of the \$50,000 match.

This letters provides a summary of the funds received; the new fund raising activities instituted over the past year; and, lessons learned. Attached please find the list of funds received which includes the donor name, amount and the date received.

1. Funds received

Between April 1, 2010 and March 31, 2011, Carpe Diem West received a total of \$51,229 from individuals, agencies and corporations. This total includes five contributions of \$5,000 or more.

These funds (excluding the in-kind travel expense contributions described below) represent almost an eight-fold increase from the individual, agency and corporate funds received the previous year. Included in this total is a four-fold increase in contributions from the Board of Directors, and 100% giving from the board, staff and Core Team.

As per our discussion last month, the total includes contributions of in-kind travel expenses of \$7,155. Carpe Diem West has 28 leadership team members (Core Team and working group members) - the contributions of these individuals' time, participation and expertise are central to our work. They, and/or their organizations, cover their travel costs - Carpe Diem West would

otherwise need to pay those expenses. The \$7,155 represents the travel expenses to three Carpe Diem meetings over the grant period for nine leadership team members. For the purposes of this challenge grant, we selected nine members who represent either NGOs, or smaller agencies that contribute their senior staff time and related expenses in lieu of making a contribution. We did not, for example, include the funders (Whitney, Sokolove, Mitchell), board/Core Team members (Kawasaki), those who work for state agencies (Spivy-Weber), or who have specific NOAA travel expenses for these meetings (Hartmann and Udall). Attached is the detailed report.

2. Fundraising activities

Over the past year, Carpe Diem West has developed and implemented a number of fund raising activities, both in response to the Kresge challenge grant and to the organization's increasing need to diversify and expand its funding base. These include:

- ▶ **Major donors:** Working with a fund raising consultant, a major donor program was developed. This included identification and research of major donor prospects using board, staff and leadership team member contacts. Prospects were assigned to individual board, staff and team members, a plan for solicitation adopted and implemented and supporting solicitation materials were created along with a useful database. Donor meetings, telephone calls and written solicitations were conducted.
- ▶ **Corporate sponsorships:** A survey of Carpe Diem Network corporate members was conducted to assess various approaches for a corporate sponsorship program; the outline of a program developed.
- ▶ **Government funding:** Opportunities for possible federal funding (e.g. NOAA, DOI, etc.) were explored, primarily for long-term funding of the developing Carpe Diem West Academy.
- ▶ **Website:** The new Carpe Diem West website was launched in Fall 2010; the site includes new fund raising tools. Requests to help meet the Kresge challenge grant were highlighted on the website, along with each edition of the *Confluence* e-newsletter, starting in December 2010.
- ▶ **Facebook/social networking:** A "Friends of" series of postings was launched in the last two weeks of the Kresge challenge grant period.

3. Lessons Learned

The intent of the Kresge challenge grant was to support Carpe Diem West's work to diversify its base of support. Thanks to this challenge grant, Carpe Diem West now has a solid fundraising platform, and a new culture of fundraising has been adopted by the board, staff and team.

A number of lessons have been identified - lessons that will guide our fundraising work going forward. Some of them may be applicable to other Kresge grantees - however, a number of them may not. An important take-away in this regards: Carpe Diem West's work is a hard sell

to any donor (individual, corporation or foundation) who does not have a sophisticated understanding of the complexity of western water and climate change issues, and why Carpe Diem West's network and approach is needed. Our work links leadership across the West, providing a process and framework for that leadership to take big scale, collaborative, long-term policy actions. It is challenging to convey the depth, scope and urgency of this approach to donors. We believe this may change, however, as our five projects (Healthy Headwater; Colorado Futures; Water, Energy & Climate Change; Public Health, Western Water & Climate Change; and, the Carpe Diem West Academy) continue their evolution from the initial stage of identifying leaders and developing networks - which has dominated work over the past three years - and focus more directly on policy.

Other lessons learned:

- ▶ **Carpe Diem West's Network - valuing the asset:** One of the assumptions going into this challenge grant period was that network members would provide funding along with some type of annual membership dues. While many network and team members stepped up to the plate with direct contributions, the response from most was that their contribution was in their time, expertise and in covering meeting travel and other expenses (e.g. Western Governors Association's contribution of the meeting space and staffing for last month's Healthy Headwaters meeting). As we have learned more over the past year about the nature of this network, the Board and Core Team have once again made the deliberate choice not to institute an annual membership program - we feel this would take away from the network's effective culture of engaging diverse leadership. Instead, we have come to place a new value on the network - which is simply Carpe Diem West's most valuable asset.
- ▶ **Board and Core Team stepping up to the plate:** One of the most heartening results of this challenge grant has been the response of both the Board and the Core Team. While Board giving historically has been at 100%, this year overall giving increased four-fold from the previous year. Some Core Team members made contributions in the past - this year giving was 100%. The challenge grant helped foster a new level of buy-in to Carpe Diem West in the organization.
- ▶ **Underestimating capacity:** For the first six months of the challenge grant period, Carpe Diem West had 1.9FTE of core staffing; the addition of the new Policy Director in September increased core staffing capacity to 2.9FTE. Over the past year, Carpe Diem West has had significant success in program and network expansion - and non-foundation fund raising suffered as a result. This is obviously not a problem unique to Carpe Diem West. In our case, starting up a program to diversify funding, especially the time-consuming major donor program, was an especially difficult challenge given the our limited capacity. (It is important to note here, that Carpe Diem West - thanks in no small part to the stature associated with general support funding from Kresge - has increased income 50% each year for the past three years, primarily through foundation support.)
- ▶ **On-line giving not delivering results:** As noted above, Carpe Diem West can be a difficult sell - a fact reflected in the dismal results of the on-line funding contributions. All of the

pieces for a successful on-line giving program are in place - the tools, highlighting the need, the ask, etc. - but this work has resulted in only a handful of contributions. As the organization's presence continues to expand, we expect those contributions to increase but for now the results have been sparse in comparison to the effort.

- ▶ **Donors who write out large checks primarily give through foundations:** One of the requirements of the challenge grant was to secure at least five contributions of \$5,000 or more. This was a particularly difficult challenge for us for two reasons. First, securing individual contributions in that amount required, as we found, more time and more relationship building - because of our limited capacity and demands of the successful program work, we did not devote as much time as would have been ideal. Second, most individuals (or at least the individuals in our prospect pool) who write out large checks do so through a public or private foundation. A good example of this is the Alki Fund, a small family fund administered by the Tides Foundation, who made a \$35,000 grant to Carpe Diem West in June 2010.
- ▶ **Kresge counts:** Many of the new individual donors noted that they were impressed by the Kresge support. For donors who know the field, significant funding from Kresge, along with the companion challenge grant, made a difference.

John, I want to again express our thanks to you and your team for making this challenge grant. This past year of work has given us the opportunity to test some assumptions, learn some lessons, and to gain a new appreciation of the value of Carpe Diem West's network. But most importantly we now have the base - and a great start - for an effective diverse fund raising program going forward.

Warm regards,

Kimery Wiltshire

enclosures:

- ▶ Donor list: names, amounts, dates
- ▶ In-kind travel support: names, amounts, dates